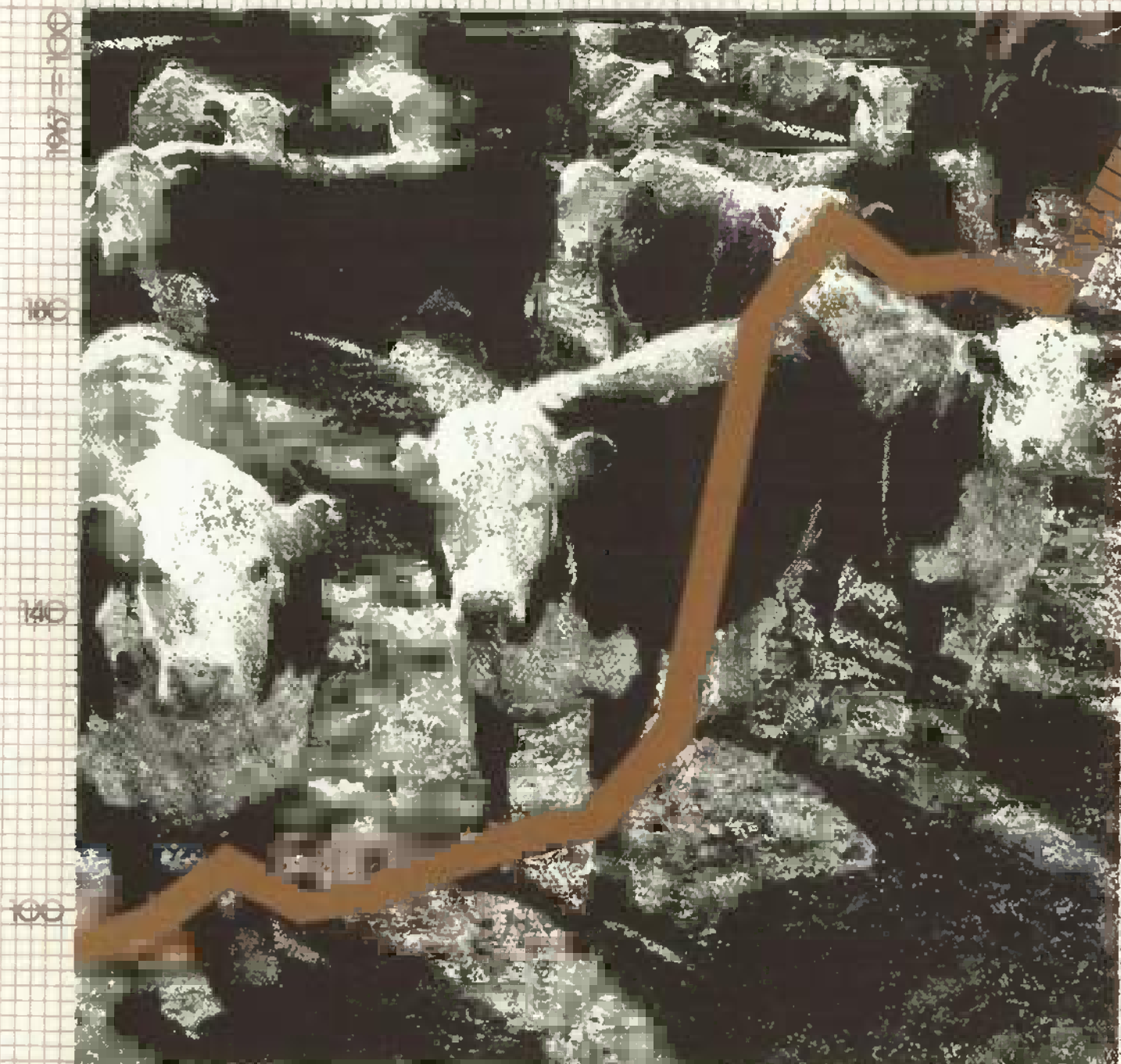


Albert J. Isaacs

AGRICULTURAL OUTLOOK

APPROVED BY THE WORLD FOOD AND AGRICULTURAL OUTLOOK AND SITUATION BOARD
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PRICES RECEIVED BY FARMERS (1964 ESTIMATED 1976)

MAY 1978



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Financial Picture of Farmers Improves

Outlook Highlights

— Growing conditions, economic developments, and producers' response to USDA programs will be major determinants of the 1978 crop outlook. If crop conditions remain favorable, U.S. output of grain and soybeans could be up again this year—perhaps 4 to 5 percent. On the other hand, generally favorable weather conditions could cause a sharp reduction in U.S. grain and soybean production—possibly 15 percent below last year.

— Farmers indicated plans on April 1 to plant about 4 percent less acreage to major crops for harvest this year. However, this year's grower intentions may not have fully reflected program changes announced March 29.

— Although soil moisture is much improved over last year, wet conditions have hindered land preparation and planting in many areas of the country. Corn planting is off to a slow start in the Corn Belt.

— Farm prices continue to strengthen with crop prices generally higher in recent weeks. Some easing in hog prices during April was offset by increased cattle prices.

— Prospects at this time point to another large world grain crop this year. World wheat and coarse grain output in 1978/79 could total slightly above last year's 1.07 billion metric tons if weather conditions remain favorable.

— Real economic growth lagged in the first quarter mainly due to the coal strike and severe weather. But expected advances during the rest of 1978 should help bolster overall food and fiber demand.

— Farm income prospects have improved with higher farm prices, heavy CCC loan and reserve activity, and deficiency payments to wheat, barley, and sorghum, producers helping boost early 1978 income levels. Net farm income, excluding the allowance for inventory change, for all of 1978 may total \$3 to \$4 billion above last year's \$20 billion.

— Farm debt climbed by a record amount in 1977. A recent 12-State survey indicates

that 3 percent of prior-year bank borrowers would not qualify for financing this year, up from a 1 percent normal rate.

— Retail food price gains still appear likely to slow in the months ahead. For all of 1978, grocery store food prices still seem likely to average 6 to 8 percent above last year.

Crop Acreage Down This Year

As of April 1, total acreage planned for 1978 crops (including winter wheat and rye seeded last fall) came to an estimated 278 million acres, around 4 percent below last year. Reduced acreage indicated for wheat, feed grains, and cotton more than offset an indicated increase for soybeans.

However, this year, growers did not have time to full react to the March 29 program changes in setting their April 1 crop plans. Added incentives to participate in the feed

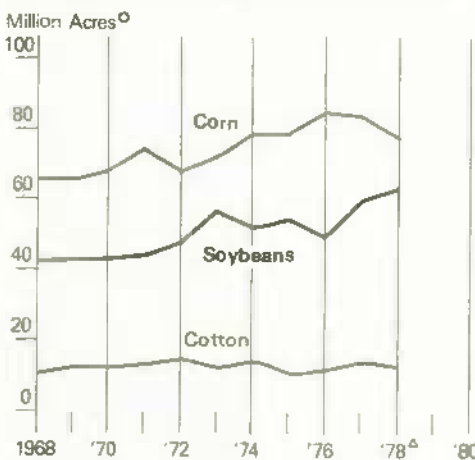
grain and cotton land diversion program will likely increase producer participation.

As a result, feed grain acreage may be down around 2 to 4 million acres from about 123 million acres expected to be planted as of April 1. Cotton acreage may be reduced a half million acres or so from the almost 13 million acres farmers planned on April 1.

These actions could also reduce land available for competitive crops, especially soybeans. However, if corn plantings are delayed by continued wet weather in the Midwest and prices of soybeans continue high relative to corn, soybean acreage could rise at the expense of corn.

On balance, the 64 million acres of soybeans farmers intended to plant as of April 1 may be on high side, but 1978 acreage is still expected to exceed last year's record 59 million acres by a wide margin.

MORE SOYBEAN ACREAGE LIKELY IN 1978; LESS IN CORN AND COTTON



○ Planted acreage.

Δ Estimated based on April 1 planting intentions.

Wet Weather in Corn Belt Slows Planting Pace

In contrast to this time last year, moisture conditions are on the ample side in most areas and excessive in some parts of the country. But the wet weather through the Corn Belt has slowed land preparation and corn planting. If wet conditions continue to hinder planting progress, soybean plantings could be encouraged. Also, later-planted corn has a lower yield potential. Spring wheat planting is also far behind its usual pace for this time of the year. In the Southern States, corn planting is ahead of normal and cotton seeding slightly exceeds the usual progress.

Large Crops on the Way if Weather Stays Good

Growing conditions, economic developments, and producer response to support programs in coming months will influence U.S. crop output and use.

Two supply-use scenarios have been developed to underscore these early season uncertainties about 1978 crops. These scenarios were designed to capture two of three possible outcomes.

(1) **Alternative I**—assumes generally favorable weather conditions worldwide. Under this situation, U.S. production of grains and soybeans would be up again perhaps 4 or 5 percent over 1977. Supplies would exceed projected usage in 1978/79, causing a further buildup in stocks. This would put downward pressure on prices, although placement of large quantities of grain in the producer-held reserve would help prices. Large world crops would likely reduce grain exports from last year.

(2) **Alternative II**—assumes relatively low world production due to quite unfavorable planting, growing, and harvesting conditions. Under these conditions, U.S. production of grain and soybeans in 1978/79 could drop around 15 percent from a year earlier and fail to keep up with disappearance. This could pull stocks down and result in significantly higher grain and soybean prices than in 1977/78.

World Grain Output May Total Near Year-Ago's Large Level

At this time, prospects point to another large world grain crop this year. With few exceptions, weather has been generally

favorable for fall-sown grains in the Northern Hemisphere. The USSR and several grain-exporting countries may recover from reduced 1977/78 harvests.

Recent Farm Price Strength Led by Crops

Farm prices continue to rise. By April prices received by farmers had increased almost a fifth from last fall's seasonal low. While prices of livestock and products, especially cattle and hogs, rose sharply early this year, increases in recent weeks have been primarily among crop products.

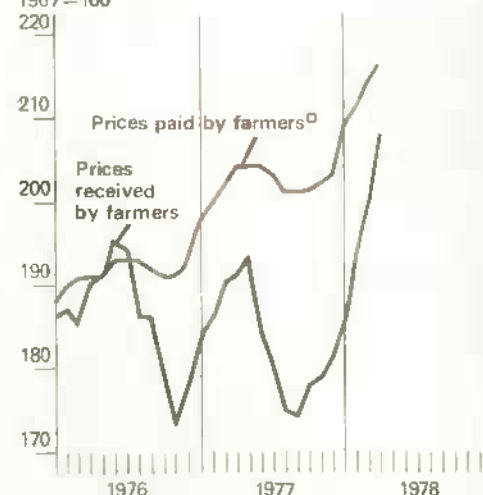
Prices farmers received for crops rose around 8 percent in the past 2 months, although overall crop prices are still around 4 to 5 percent below year-ago levels.

Wheat prices at Kansas City hit almost \$3.50 a bushel in mid-April, highest since July 1976, and almost a dollar above a year ago, although prices have eased back some since. Corn prices have risen in recent weeks to near year-ago levels. Soybean prices have also generally picked up, but prices are still well below year-ago levels.

This price strength was mainly due to strong foreign demand and heavy movement of grain into the loan and farmer-held reserves. Soybean prices have risen in the face of record domestic supplies largely because of the reduced Brazilian soybean crop.

FARM PRICES RECEIVED AND PRICES PAID UP

1967=100



Includes interest, taxes, and wage rates.

Barrow and gilt prices have eased some in recent weeks, although at around \$46 per cwt. at Omaha in late April, they were still about a fourth above a year ago. Hog prices are likely to hold fairly stable in coming weeks before showing some seasonal strength this summer.

On the other hand, cattle prices have risen substantially in recent weeks reaching \$53 per cwt. for choice steers at Omaha in late April, almost a third above last year at that time. Increased demand from feedlots has boosted yearling feeder cattle prices to about \$56 per cwt. by late April, highest since September 1973.

Farm Income Prospects Pick Up

The farm income situation has improved significantly in recent months. Forecasts for 1978 as a whole point to net farm income, before inventory adjustment, of around \$24 billion, up \$3 to \$4 billion from 1977.

Stronger livestock receipts, continued strength in export markets, and a building producer-held grain reserve will help boost total gross income about \$10 billion in 1978, but another rise in production expenses will consume much of this increase.

During the first quarter, farm earnings rose sharply, largely due to gains in livestock prices. Strong livestock prices will likely boost livestock receipts for 1978 some \$7 or \$8 billion from \$47 billion in 1977.

SUPPLY AND USE OF MAJOR CROPS

Commodity	Production	Domestic use	Exports	Ending stocks	Season average Price
		Mil. unit			\$ per bu.
Corn (bushel)					
1976/77	6,266	4,100	1,684	884	2.15
1977/78 estimated	6,357	4,285	1,750	1,207	2.05
1978/79 projected ¹					
Alternative I	6,700	4,685	1,500	1,723	1.90-2.00
Alternative II	5,500	4,265	1,800	643	2.40-2.60
Wheat (bushel)					
1976/77	2,142	748	950	1,112	2.73
1977/78 estimated	2,026	835	1,100	1,205	2.31
1978/79 projected ¹					
Alternative I	1,920	786	1,000	1,341	2.25-2.75
Alternative II	1,610	684	1,300	833	3.25-3.75
Soybeans (bushel)					
1976/77	1,288	866	564	103	6.81
1977/78 estimated	1,716	984	635	200	5.79
1978/79 projected ¹					
Alternative I	1,900	1,040	675	385	5.00-5.50
Alternative II	1,550	980	625	145	7.00-7.50
Cotton (bale)					Cts. per lb.
1976/77	10.6	6.7	4.8	2.9	64.1
1977/78 estimated	14.4	6.7	5.5	5.4	52.0
1978/79 projected ¹					
Alternative I	13.0	7.3	4.8	6.5	—
Alternative II	11.0	6.3	6.2	4.1	—

¹ Alternative I reflects favorable production conditions worldwide; Alternative II assumes unfavorable production conditions worldwide.

Reduced livestock supplies are likely to maintain livestock prices well above year-ago levels.

Both supply and demand factors have caused crop prices to register strong gains over the past half year. Even with recent improvement, however, prices for several major commodities such as cotton, soybeans, and feed grains are still below year-earlier levels.

Strong foreign demand and anticipated participation in the acreage set-aside and diversion program and grain reserve program should give a supply-demand balance with higher prices. Farmers' decisions and weather conditions during the growing season will influence crop prices as the year progresses.

Though these unknowns will affect crop receipts, the current forecast is that receipts from crop marketings will increase about a billion dollars in 1978 to nearly \$49 billion.

During the calendar year, direct government payments will likely increase as much as a billion dollars—to around \$2.5 to \$2.8 billion. Besides the usual amount of conservation and disaster payments, deficiency payments could increase. Also, new payments are to be made for feed grain and

cotton acreage diversion. Finally, about \$200 million in storage payments for participation in the grain reserve is expected.

Some \$800 million in deficiency payments for the 1977 wheat, grain sorghum, and barley crops will likely have been paid out by the end of the second quarter. This is in addition to \$740 million paid to wheat producers last December. If either wheat prices drop or the target price is raised, there could be additional 1978 wheat crop payments late in the calendar year.

Overall gross farm income may rise nearly \$10 billion, but much of the increase will go to cover continued higher production expenses. In 1978, prices paid by farmers for production items are expected to continue rising. For the year as a whole, prices of production inputs will likely increase some 6 to 8 percent.

On balance, 1978 net income before adjustment for inventory could rise around \$3 to \$4 billion to near \$24 billion in current prices. However, there will likely be a drawdown in both crop and livestock inventories. Thus, after inventory adjustment, net income from farming during 1978 may increase \$1 to \$2 billion to around \$23 billion.

Such an increase in current dollar incomes would about maintain the purchasing power of 1978 net farm income at last year's level. However, the continuing decline in farm numbers will allow some increase in real per farm earnings.

Financial Condition of Agriculture Improves

Declining farm prices and income coupled with increased costs and a heavy debt load caught many farmers in a severe cost-price squeeze in 1977. But there was a wide diversity of financial conditions among the various sectors in agriculture.

Dairy, hog, fruit and vegetable producers were generally in a strong position. On the other hand, cash grain producers, especially wheat growers, had an unfavorable year. In 1977, producers of fed and feeder cattle were in the fourth year of depressed earnings.

Tenants have been particularly hard hit by the reduced cash flow, and operator returns on rented land were cut sharply.

Farm debt outstanding rose by a record amount in 1977, reaching \$120 billion by the beginning of this year, 17 percent above January 1, 1977.

COMMERCIAL BANK LENDING ACTIVITY IN 12-STATE AREA, MARCH 1978¹

Item	Share of total	
		Pct.
1977 farm borrowers not qualifying in 1978	3	
Normally not qualifying	1	
Farm borrowers not qualifying for additional nonreal estate loans:		
Currently	6	
Year-ago	5	
Normally	3	
Reasons for not qualifying: ²		
Inadequate income	66	
Insufficient equity	73	
Poor management	63	
Open	15	
Refusal rate for new or addition to old nonreal estate loans, Jan. 1 to Mar. 15, 1978:		
Current	6	
Normally	4	
Farm borrowers refinancing short-term debt into real estate secured loan:		
During past year	7	
Normally	2	

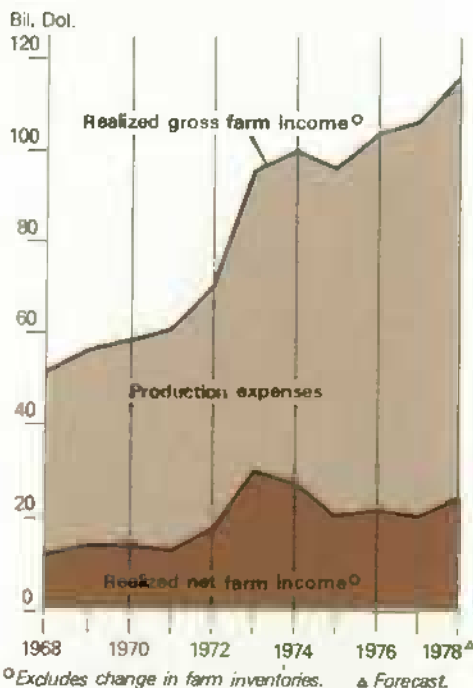
¹ Colo., Kans., Minn., Mont., Neb., N.D., Okla., S.D., Texas, Ga., Ind., and Iowa. ² Multiple reasons were reported.

Real estate secured and nonreal estate farm debt (excluding CCC loans) last year rose at about the same rate as in 1976. The fastest gain was in CCC loans, which rose nearly 4-fold to \$4.5 billion by January 1, 1978.

FmHA government insured emergency loans outstanding gained over \$1 billion, compared with practically no gain in 1976. The Small Business Administration (SBA) is also making a substantial number of emergency loans to farmers in a few States.

There appears to be no shortage of loan funds for agriculture in 1978. However, interest rates are edging up this year which will mean higher cost loans to the agricultural sector. In early 1978, interest payments by farmers per acre on farm real estate debt rose 16 percent from a year ago, the sharpest gain in many years. Marginal operators are expected to continue to have difficulty

GROSS FARM INCOME TO RISE MORE THAN EXPENSES IN 1978



securing loans and highly leveraged operators will experience severe cash flow problems in the short run.

A March 1978 survey of banks and Production Credit Associations (PCA's) in 12 States substantially affected by reduced cash flows showed that 3 percent, or about 22,000, of prior year bank borrowers would not qualify for financing this year, up from 1 percent or about 10,000 in a normal year. PCA's reported about 4 percent not qualified—up from a normal 2 percent. The number of borrowers loaned up to their maximum limit and consequently not eligible for additional loans is about double the normal number.

Many farmers have avoided delinquency

by refinancing debts on a longer-term basis to reduce the annual payments required. In the banks surveyed, borrowers refinancing short term loans into real estate debt rose from a normal 2 percent or 18,000 to about 7 percent or 50,000. Appreciation in land values has provided the equity base that has allowed the consolidation of short-term debt into longer-term debts secured by real estate.

Of the 253,000 borrowers applying for loans between January 1 and March 15, 1978, about 6 percent or 14,700 had been refused—up from a normal 4 percent during this time of year.

Considerable increases in FmHA and SBA emergency loan activity appear to have

significantly reduced the financial stress of farm borrowers. In 1977, FmHA loans rose \$1.6 billion reflecting largely the boost in emergency loans. FmHA emergency loans increased another \$1 billion in the first quarter of 1978. In the 12-State area surveyed, 4 percent of all farmers or 40,810 had loans through the FmHA or SBA Emergency Loan programs.

The inflow of CCC loans, wheat deficiency payments, and FmHA emergency loans have increased deposits at commercial banks and also increased loan payments at banks and PCA's since late 1977. Increased farm incomes in 1978 should help relieve some of the financial pressures that many farmers have found themselves in.

KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1975		1976		1977				1978		
	Annual	IV	Annual	I	II	III	IV	Annual	I	II	III
										Forecast	
Prices received by farmers (1967=100)	185	176	186	186	189	176	179	183	193	203	207
Livestock and products (1967=100)	172	165	177	172	174	178	177	175	195	205	215
Crops (1967=100)	201	190	197	204	209	175	182	192	191	203	199
Prices paid by farmers, all items (1967=100)	180	191	191	200	204	202	202	202	211	214	218
Production items (1967=100) ¹	187	197	198	207	211	207	206	208	218	221	224
Farm production (1967=100)	114	—	117	—	—	—	—	121	—	—	—
Livestock and products (1967=100)	101	—	106	—	—	—	—	108	—	—	—
Crops (1967=100)	121	—	121	—	—	—	—	129	—	—	—
Farm income: ²											
Cash receipts (\$ bil.)	88.1	92.4	94.3	96.7	97.1	90.4	95.9	95.0	101.2	107	104
Livestock (\$ bil.)	43.0	45.4	46.4	46.2	46.8	47.8	48.9	47.4	52.6	55	57
Crops (\$ bil.)	45.1	47.0	47.9	50.5	50.3	42.6	47.0	47.6	48.7	52	47
Realized gross farm income (\$ bil.)	96.7	101.9	103.6	106.5	107.2	100.8	110.0	106.1	113.4	120	116
Production expenses (\$ bil.)	75.9	81.2	81.7	84.5	86.5	83.3	88.5	85.7	92.1	93	92
Farmers' realized net income (\$ bil.)	20.8	20.7	21.9	22.0	20.7	17.5	21.5	20.4	21.3	27	24
Farmers' total net income (\$ bil.) ³	24.3	18.0	20.0	21.5	21.2	17.5	25.0	21.3	21.8	25	23
Market basket: ⁴											
Retail cost (\$)	1,876	1,875	1,895	1,913	1,932	1,948	1,952	1,937	2,025	2,085	2,110
Farm value (\$)	784	709	748	742	750	754	756	751	801	825	845
Spread (\$)	1,092	1,166	1,147	1,171	1,182	1,194	1,196	1,186	1,224	1,260	1,265
Farm share (%)	42	38	39	39	39	39	39	39	39	40	40
Retail prices:											
Food (1967=100)	175.4	181.5	180.8	186.6	192.1	194.8	195.4	192.2	201.0	206	208
At home (1967=100)	175.8	179.3	179.5	184.8	190.3	192.7	192.8	190.2	199.2	204	206
Away-from-home (1967=100)	174.3	190.1	186.1	193.7	199.1	202.8	205.4	200.3	208.2	214	219
Per capita food use (1967=100)	102.0	—	105.4	—	—	—	—	104.2	—	—	—
Animal-products (1967=100) ⁵	99.7	107.0	103.9	101.8	101.5	103.3	105.6	103.6	101.8	101.8	101.6
Crop-products (1967=100)	104.8	—	107.1	—	—	—	—	104.8	—	—	—
Agricultural exports (\$ bil.) ⁶	21.9	5.4	22.8	6.5	6.2	6.3	5.0	24.0	6.1	6.5	6.0
Agricultural imports (\$ bil.) ⁶	9.5	2.8	10.5	2.9	3.6	3.9	3.1	13.4	3.0	3.9	3.8

¹ Including interest, wages, and taxes. ² Quarterly data are seasonally adjusted at annual rates; 1977 and first quarter 1978 data are preliminary estimates. ³ Includes net change in farm inventories. ⁴ Quarterly data are given at annual rates. ⁵ Quarterly data exclude fish products. ⁶ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters not calendar year quarters, i.e. IV 1977 means July-Sept. 1977.



Commodities

Total acreage planned for 1978 crops (including winter wheat seeded last fall) comes to an estimated 278 million acres, down about 4 percent from 1977. Planned cuts for wheat, feed grains, and cotton may more than offset increases slated for soybeans.

Actual plantings this year may show more than the usual variation from farmers' early April intentions, since a number of important farm policy changes were announced in late March. Added incentives to participate in the feed grain and cotton land diversion program will likely increase producer participation, reducing land available for competitive crops, particularly soybeans.

Weather developments through April have been generally favorable for fall-sown grains, and soil moisture supplies are favorable for spring planting in most areas. The major exceptions are the Corn Belt, where persistent wetness is delaying planting, and west Texas, where conditions have been near the drought stage.

Feed Grain Production To Decline

As of April 1, farmers indicated plans to seed around 123 million acres to feed grains in 1978. This was 4 million less than their January 1 plans and 5½ million fewer than in 1977. However, the April 1 prospects in feed grain acreage do not reflect a new provision in the feed grain program announced on March 29. Under this provision, participants can earn a payment for diverting an additional 10 percent of their 1978 plantings of corn, sorghum, or barley to soil conserving uses. The likely impact of this diversion program will be to further reduce feed grain plantings by 2 to 4 million acres from the April intentions. (See Policy section for more details on the government's farm program initiatives.)

Heavy spring rains, while they have vastly improved soil moisture reserves in the Grain Belt over the very dry conditions a year ago, have hindered planting of oats, spring barley, and corn.

As of late April, farmers in the eastern Corn Belt were still unable to get in the fields because of wetness. Corn planted after mid-May generally yields less because of typical weather patterns during the growing season. However, ample subsoil moisture reserves this spring will tend to minimize

plant wilt if rainfall is below normal during the crucial pollination stage.

Even with early indications of fewer acres, very favorable weather in 1978 could push the U.S. feed grain crop above last year's record large 202 million metric tons.

A bumper crop, coupled with a big carry-over of grain left over the 1977 crop, would raise the 1978/79 supply to well above this year's record large supply. In this event, domestic feeding in 1978/79 likely would increase sharply in response to low feed grain prices.

If weather also were favorable abroad, U.S. exports in 1978/79 could drop below the high levels of the previous 3 years.

Weather elsewhere around the world so far has been generally favorable for production of 1978 feed grain crops, but 1978/79 crop harvests here and abroad are several months away.

If a spell of poor weather strikes the United States or other major grain-livestock producing countries, world feed grain production could dip well below that of 1977/78.

In this event, grain prices would be strong in response to increased foreign demand. The U.S. feeding industry probably would retrench some as feeding margins become

PROSPECTIVE PLANTINGS OF MAJOR CROPS

	1975	1976	1977	Indicated 1978 ¹		Change 1977 to 1978 ³
				Jan. 1 ²	Apr. 1	
	Million acres					Pct.
Corn	78.6	84.4	82.7	80.9	80.2	-3.0
Sorghum	18.1	18.4	17.0	17.5	15.9	-6.3
Oats	16.5	16.7	17.8	17.6	16.4	-7.8
Barley	9.3	9.2	10.6	10.6	10.0	-5.6
Feed grains	122.5	128.7	128.1	126.6	122.6	-4.3
Winter wheat ⁴	55.9	57.7	56.0	48.1	48.1	-14.0
Durum wheat	4.8	4.7	3.2	4.2	4.1	+29.0
Other spring wheat	14.1	17.8	15.6	13.7	13.2	-15.3
Total wheat	74.8	80.2	74.8	66.0	65.5	-12.4
Rye ⁴	2.8	2.7	2.7	2.9	2.9	+7.8
Rice	2.8	2.5	2.3	2.5	2.6	+14.7
Soybeans	54.6	50.2	59.1	63.9	63.7	+7.8
Cotton	9.5	11.7	13.7	12.6	12.9	-5.8
Flaxseed	1.6	1.1	1.5	1.3	1.0	-33.4
Peanuts	1.5	1.5	1.5	(⁵)	1.6	+4
Tobacco ⁶	1.1	1.0	1.0	(⁵)	.9	-2.2
Sugarbeets	1.6	1.5	1.3	1.3	1.3	+4.0
Dry edible beans	1.5	1.5	1.4	(⁵)	1.5	+6.2
Potatoes	1.3	1.4	1.4	(⁵)	1.4	-1.1
Total ⁷	275.9	284.3	289.2	—	278.2	-3.8
Hay ⁸	61.3	60.3	60.5	(⁵)	60.8	+6
Total	337.2	344.6	349.7	—	339.0	-3.0

¹ Planting intentions. ² Planting intentions for 34 States adjusted upward to a U.S. total acreage.

³ Calculated from unrounded data. ⁴ Plantings as of December 1 of previous year for crop to be harvested in year listed. ⁵ Not reported. ⁶ Harvested acreage. ⁷ Includes dry edible peas and sweet potatoes.

squeezed—similar to what happened in 1974/75. However, substantially larger stocks would soften the impact on prices in the event of a 1-year major crop shortfall.

Latest feed grain supply-use estimates for the current marketing year indicate a carry-over of about 44 million metric tons, up about 14 million tons from last October 1. About a third of the stock total is expected to be in the producer-owned reserve by the end of 1977/78.

Feed grain use during January-March slowed to 34 million tons, only a little above a year earlier, following a 4-percent increase last fall. The somewhat sluggish use was apparently due to the smaller than expected number of hogs fed during the winter.

Although pork production will be less than previously expected, a pickup in the number of other animals going on feed should sustain feed consumption through this summer. In this event, domestic feeding for the year will be up 4 or 5 percent to 118 million metric tons.

U.S. feed grain exports, while considerably behind last fall's levels, have improved along with the weather in recent weeks. With continued open weather for loading out vessels, record-large exports of feed grains are expected during May-September. Consequently, exports for all 1977/78 should at least match the record volumes of 50 to 51 million metric tons shipped overseas during each of the past 2 seasons.

Feed grain prices have strengthened significantly in recent weeks—the result of good demand here and abroad, smaller available supplies due to heavy participation in the loan program, and the government's initiatives to bring the 1978/79 feed grain supply into better balance with potential demand.

Last fall, U.S. farmers were receiving \$1.50 to \$1.60 a bushel for corn, the lowest in 5 years. But farm prices this spring moved up to around \$2.25 per bushel. Some further but modest strength in corn prices appears likely over the next few months, as corn and sorghum producers on May 1 begin to switch over from the loan to the 3-year grain reserve program, Jack Ross (202) 447-8636

Soybean Production May Top Last Year

With an increase slated in 1978 soybean plantings and the general improvement in moisture conditions in major soybean producing areas, early odds favor a sizable grain in the soybean crop.

Of course, farmers' early April planting intentions—when they indicated they would seed nearly 64 million acres to beans—may be on the high side in light of the USDA program announcements on March 29.

If growing conditions are favorable, 1978 soybean production could reach a record 1.9 billion bushels.

Total 1978/79 supplies could approximate 2.1 billion bushels, while use probably would expand to around 1.7 billion bushels, an increase of about 6 percent above this year. This would leave ending stocks on August 31, 1979 close to 400 million bushels. Prices to farmers likely would average around \$5 per bushel or a little higher, compared with \$5.79 estimated for 1977/78.

If growing conditions were unfavorable, production likely would total nearer 1.6 billion bushels. Supplies would be around 1.8 billion, while use probably would hold near this season's level. Ending stocks would total around 150 million bushels.

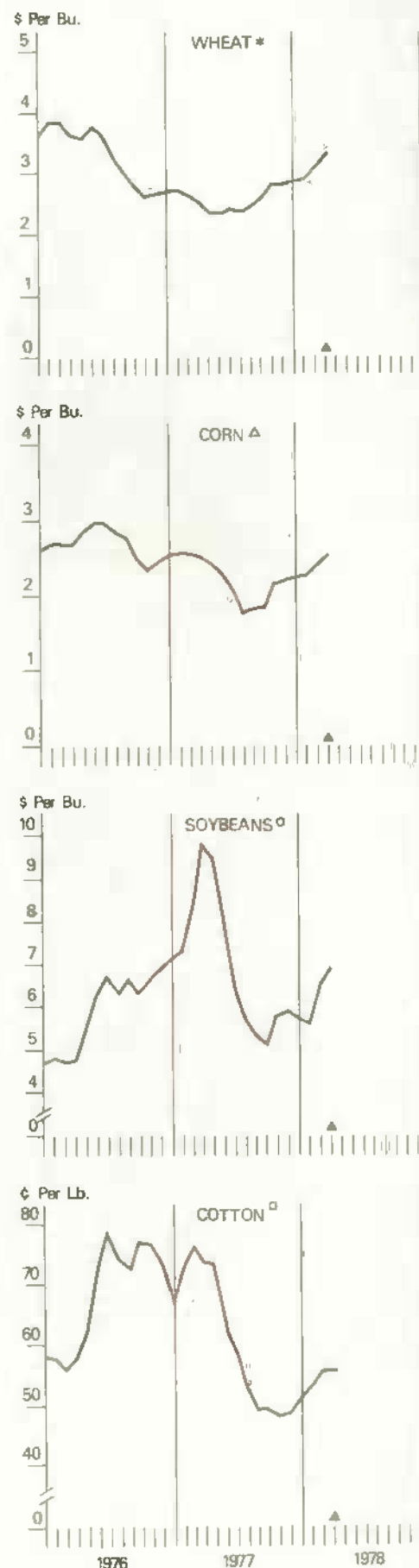
The tighter supply situation would exert upward pressure on prices, which would be expected to average around \$7 per bushel or higher.

During the current 1977/78 marketing year, both soybean crushings and exports are expected to set new records. Crushings are now estimated at 910 million bushels, about 15 percent above last year. Soybean exports are estimated at 635 million bushels, up sharply from last season.

Strong demand for soybean oil and meal, both domestically and abroad, is underpinning crushings and exports. Also, competition from Brazilian soybeans is not as keen as previously expected because of their drought-damaged 1978 soybean crop. The 1978 Brazilian crop is now estimated from 9.7 to 10.2 million metric tons, down from 12.2 million in 1977.

Total U.S. soybean disappearance likely will reach 1.6 billion bushels, more than a tenth above last season but still short of the 1977 soybean crop. As a result, some build-up in ending stocks is expected, possibly to around 200 million bushels—roughly double stocks on September 1, 1977. However, U.S. stocks could be lower if demand proves stronger because of a possible further reduction in the 1978 Brazilian soybean crop. Soybean stocks in all positions on April 1 totaled 843 million bushels, up about a third from April 1, 1977.

CROP PRICES AGAIN RISING AFTER EARLY 1978 LEVELING



* No. 1 Hard Winter, Kansas City. Δ No. 2 Yellow, Chicago. ○ No. 1 Yellow, Chicago. □ Spot Market, 1-1/16" SLM. ▲ Average through April 25.

Although farm prices of soybeans have strengthened recently, they still are averaging below last year. During September-March, prices averaged \$5.60 per bushel, compared with \$6.70 a year ago.

Prices over the balance of the season will be influenced by prospects for 1978 U.S. soybean production, the final outcome of the Brazilian soybean crop, and developing demand prospects. For the season, prices are expected to average roughly \$1 below the \$6.81 of 1976/77. *Stanley Gazelle (202) 447-8444*

Wheat Crop Smaller in 1978

The current wheat marketing season is drawing to a close with clear indications of a near-record demand. Total disappearance in 1977/78 will be over 1.9 billion bushels for only the third time, the result of expanded exports and increased feed use. However, use will still be less than the large 1977 crop, indicating a slight buildup in yearend stocks to around 1.2 billion bushels.

Early season farm prices were about 15 percent below the \$2.25-per-bushel loan rate. But growers' participation in the loan and reserve programs, a pickup in export sales, and prospective cutbacks in 1978 plantings caused prices to strengthen as the season progressed.

The loan and reserve programs have been a viable marketing option for producers. By April 1 nearly 46 percent of wheat stocks were under Government loan, in CCC inventory, or in the producer-owned grain reserve. Participation in the 3-year reserve program has been heavy, particularly after 1977 under loan became eligible for the reserve on March 1. As of late April, 308 million bushels were under the producer-held reserve.

Wheat export sales were sluggish during the first half of the season, but have since picked up and are now substantially above last year, despite major transportation problems caused by the harsh winter.

Planting reports indicate strong grower participation in the 20 percent wheat set-aside program. Winter and indicated spring wheat plantings are down 12 percent and the wheat graze-out program will likely reduce harvested acreage even more.

It appears the 1978 crop will likely drop below 2 billion bushels for the first time since 1974/75. However, since carryover stocks are expected to top a billion bushels again, the 1978/79 supply of wheat could still be the second largest on record.

Early indications point to another good export season, probably in excess of a billion bushels for the sixth time in the last 7 years. Since other major world suppliers of wheat are virtually booked until fall or early winter, the United States is the only major supplier until the new crop foreign supplies come into the market. This largely explains the recent million-ton wheat purchase from the United States by the People's Republic of China. Even under a relatively favorable output assumption, 1978/79 prices would likely average above this season. *Allen Schienbein (202) 447-4997*

Vegetable Acreages To Be Trimmed

Plantings of 14 spring fresh market vegetables are expected to be slightly less than a year ago and if yields equal the 1975-77 average, output this spring could drop about 3 percent from the spring of 1977. Cuts are in prospect for broccoli, celery, sweet corn, cucumbers, lettuce, tomatoes, and melons. Larger acreages are planned for snap beans, cabbage, carrots, and green peppers. The spring onion crop in Texas has been sharply reduced from earlier expectations but will still be up more than a fourth from the small volume of 1977.

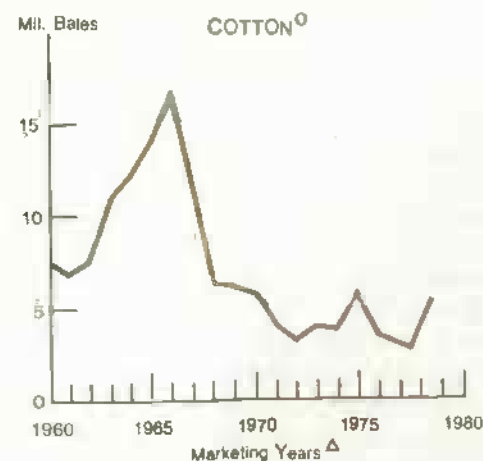
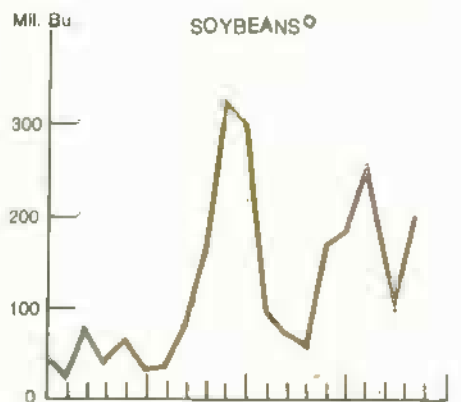
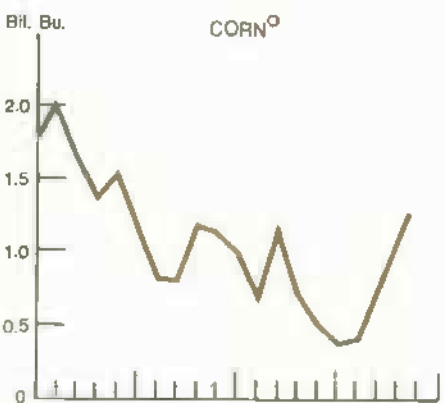
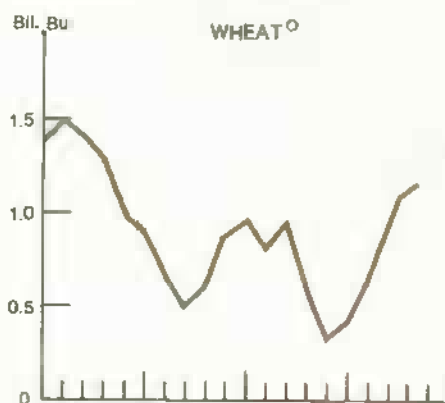
Processing vegetable acreage now seems likely to be only fractionally less than a year earlier; however, the resulting tonnage will be considerably smaller if intentions are carried out. The substantial cut in California tomato acreage practically assures this outcome, as this crop in that State accounts for half the total U.S. raw tonnage of all processed vegetables. Larger acreages are expected for all other leading items except sweet corn.

Disappearance of canned vegetables in 1977/78 is likely to run about the same as a year earlier. If this occurs, the carryover of canned vegetables will be slightly larger.

Disappearance of frozen vegetables so far in the 1977/78 marketing season has lagged a year earlier despite large supplies. Apparently, higher prices curbed movement and competition from canned vegetables has been keen.

It now seems the carryover into 1978/79 will be much larger than the small amount on hand at the beginning of the current marketing period. Nonetheless, this carryover is not likely to prove burdensome. In fact, current planting intentions for frozen vegetable crops indicate an acreage increase of 4 percent.

STOCKS EXPECTED TO BE ON HIGHER LEVELS BEGINNING 1978/79



△ Year beginning June 1 for wheat, Aug. 1 for cotton, Sept. 1 for soybeans, and Oct. 1 for corn.
○ Carryin stocks

The potato industry plans to cut the important fall acreage by 1 percent to about 1.2 million acres. If these intentions are carried out, the stage is being set for another year of heavy supplies. *Charles Porter and Joseph Podany (202) 447-8666*

Smaller Cotton Crop in Offing

Farmers in early April revealed plans to plant 12.9 million acres of cotton this spring, compared with 13.7 million last year. However, perhaps a half million or so of this intended acreage may not be planted as a result of the recently announced acreage diversion program for cotton. Depending on yields, 1978 production may range from 11 to 13 million bales, compared with 14.4 million last year.

The tentative cotton outlook for 1978/79 points to a fairly close balance between supply and demand, with the possibility that stocks could be worked down slightly because of strong export demand.

U.S. cotton export prospects for 1978/79 are quite encouraging. The likelihood of a slight cutback in foreign production and perhaps a little improvement in consumption abroad suggests export demand for our cotton may again top 5 million bales. In fact, shipments could total 6 million bales if weather is unfavorable in key foreign producing countries.

As the end of the 1977/78 marketing year approaches, it appears that the August 1 cotton carryover will total nearly 5½ million bales, up from 2.9 million last summer and about 1 million above the 1972-76 average. The huge 14.4-million-bale crop contributed to the stock buildup. About 2½ million bales are currently under CCC loan.

During the current marketing year, U.S. mill use of cotton has been rather sluggish, despite competitive cotton prices. Not only has domestic cotton been confronted by continuing large imports of cotton textile products, but an oversupply of cotton denim fabric has resulted in some curtailment in mill operations. As a result, U.S. mills may consume only around 6.7 million bales, about the same as in 1976/77.

Strong U.S. cotton export sales have been the real bright spot in the 1977/78 season's demand picture. As of mid-April, about 3.5 million bales had been exported with undelivered sales for shipment this season totaling another 2.8 million. However, some of this cotton will not be delivered until next season. Actual exports during 1977/78 may amount to about 5½ million bales, up from 4.8 million last season.

Several factors are behind this season's strong showing for U.S. cotton exports. Chief among these is our big supply of competitively priced cotton, which has become even more attractive in view of the current decline in the value of the U.S. dollars. While Russia, our major competitor also has a large cotton crop, only limited quantities have been offered at comparatively high prices. So, foreign importers wishing to meet consumption needs and do some rebuilding of depleted stock levels have turned to the United States to supply a large part of their needs. *Russell G. Barlowe (202) 447-8776*

Tobacco Acreage Prospects Suggest Little Change in Crop Size

Growers intended to set 944,000 acres to tobacco in April, 2 percent below the 1977 harvested acreage. Over the past 5 years, growers eventually harvested about 1 percent more than their spring intentions. With average growing conditions, the prospective tobacco acreage indicated a crop of around 1.9 billion pounds, the same as last year. However, the 6.3-percent increase in tobacco support levels provides the basis for a better income year for growers.

Flue-cured growers reacted to a 1-percent cut in poundage quota by reducing prospective acreage 2 percent. An average yield could mean a 1978 flue-cured crop of some 1.16 billion pounds, slightly larger than last season's crop.

Flue-cured growers are permitted to plant up to 120 percent of acreage allotment provided they agree to keep the lower four leaves on the stalk in the field. About 19 percent of the poundage quota has been signed up. Prospective plantings likely include this sign-up. The marketing quota has not been increased, but the incentive is to encourage more marketings of the higher quality—and higher prices—upper stalk leaf. Other growers must stay within the acreage allotment.

Burley acreage may drop 4 percent in 1978. The basic quota was cut 3 percent. Southern Maryland auction markets for the 1977 crop opened April 11. April prices averaged \$1.18 per pound, up 7 cents. The 1977 crop was about the same size as the previous crop.

Total tobacco use and exports, crop output, and carryover stocks for the 1977/78 marketing year (July-June) should remain near the past season. Despite anti-smoking activities, U.S. cigarette consumption continues to gain. However, a decline in sales of cigars and smoking tobacco is about offsetting the gain in cigarette and smokeless (chewing and snuffing) use. *Richard Hall (202) 447-7290*

High Level of Fed Cattle Slaughter To Continue

In response to favorable grain and fed cattle prices, cattle feeding continues to expand. Fed cattle marketings from the 23 States during the first quarter of this year were 5 percent above a year ago, while net placements climbed 11 percent. This level of marketings and placements resulted in the April 1 inventory of cattle on feed being 10 percent above the year-earlier level.

Fed cattle marketings are likely to continue heavy this spring as producers reported their intentions to market 7 percent more cattle in April-June than a year ago. Based on the number on feed in the heavier weight groups, these intentions will probably be met and perhaps slightly exceeded.

Unusually light dressed weights during the first 4 months—as fed cattle were marketed with minimum finish—have helped prevent a buildup in beef supplies.

Even with an increase in fed cattle marketings, beef production during the second quarter may drop below last year's level. A substantial decline in nonfed cattle slaughter, combined with lighter fed cattle weights, may drop spring quarter beef production 2 to 3 percent below last year.

Profits on fed cattle marketed during the past months have been good since most of these cattle were purchased before the sharp runup in feeder cattle prices. Profit margins may be squeezed as the higher priced feeder cattle are marketed later on this year.

Placements of cattle on feed this spring will probably continue above year-earlier levels. This continued high level of placements could result in year-to-year increases in fed cattle marketings during the summer and fall.

Heifers on feed in the 23 States on April 1 rose 21 percent above a year ago to a record high 4.3 million head. The large number of heifers going into feedlots is one indication that cattlemen have not begun to make large increases in the breeding herd. *James Nix (202) 447-8972*



Policy

Last month's *Agricultural Outlook* reported on the farm policy initiatives announced in late March. Additional details pertinent to those initiatives include:

- Producers offering additional diversion will receive payments. The payment will be based on normal production from the acreage planted for harvest of the particular corn, sorghum, barley, or cotton crop. The payment rate is 20 cents per bushel for corn, 12 cents a bushel for sorghum and barley, and 2 cents a pound for cotton.

- For farmers to be eligible for payments, their 1978 plantings of corn, sorghum, and barley cannot exceed 1977 plantings for each of the crops. For cotton, diverted acreage plus acreage for harvest cannot exceed the 1977 planted acreage.

- Producers will receive half of the total payment at signup.

- The signup period for the programs will run through at least May 15.

- Starting May 1, 1977-crop corn and grain sorghum can be put into the reserve program.

Diversion Program May Further Reduce Feed Grain, Cotton And Soybean Acreage

Estimates are that 10 million acres will be placed in set-aside or land diversion under the feed grain program, with about 60 percent set-aside acreage and 40 percent land diversion.

The likely impact of the recently announced diversion program could be to reduce feed grain plantings by 2 to 4 million acres from April intentions estimates. The program would also probably cut soybean acreage from the almost 64 million acres planned as of April 1.

With somewhat smaller supplies, corn prices for 1978/79 are expected to average 15 to 25 cents a bushel above what would have been expected without the programs.

Cotton Diversion Program To Strengthen Prices

Planted acreage is expected to be reduced a half million acres or so from April 1 intentions.

Farm prices will likely be strengthened, while net returns could rise \$50 to \$60 million. As a result, consumer prices of goods made from cotton will be slightly higher.

Grazing and Hay Initiatives To Cut Wheat Production

The recent changes are expected to result in an additional 1 to 1.5 million wheat acres being grazed or hayed, with a 30- to 50-million-bushel reduction in 1978 wheat production.

Target Prices, Loan Rates for 1978 Crops Announced

Unless new legislation is passed, the lineup of price supports for 1978 has been set. Although sorghum, barley, and rice target prices and rice loan rates are still listed as preliminary, no substantial changes are expected in the final announcements for these particular support prices.

PRICE SUPPORTS FOR 1978

Target prices:	
Corn (\$ per bu.)	2.10
Sorghum ¹ (\$ per bu.)	2.28
Barley ¹ (\$ per bu.)	2.25
Wheat ¹ (\$ per bu.)	² 3.00 or 3.05
Cotton (cts. per lb.)	52.0
Rice ¹ (\$ per cwt.)	8.53

Loan rates:	
Corn (\$ per bu.)	2.00
Sorghum (\$ per bu.)	1.90
Barley (\$ per bu.)	1.63
Oats (\$ per bu.)	1.03
Rye (\$ per bu.)	1.70
Wheat (\$ per bu.)	2.25
Cotton (cts. per lb.)	44.0
Rice ¹ (\$ per cwt.)	6.40
Soybeans (\$ per bu.)	4.50

¹ Preliminary. ² The wheat target will be \$3.05 per bushel if 1978/79 production is 1.8 billion bushels or less, or \$3.00 per bushel if production is above 1.8 billion bushels.

Target prices for 1978 are set directly by law (corn, wheat, and cotton) and by prescribed formula (rice). In the case of sorghum and barley, targets are set in relation to corn on the basis of cost of production. Loan rates are set by the Secretary within guidelines established by law.

Emergency Feed Program in Use

Under the emergency feed program, the Secretary of Agriculture can provide financial aid to farmers if their livestock is threatened by conditions of natural disaster. During the emergency period, farmers can be reimbursed up to half the cost of buying feed. More than \$63 million was paid out between October 1 and February 28 to over 83,000 applicants to help buy feed under the emergency program.

Wool Payments Necessary for 1977 Clip

Producers will receive about \$25 million in incentive payments on 1977 marketings of shorn wool. Payments are also made to producers who market unshorn lambs. The wool program is intended to encourage producers to improve the quality of wool.

The 1977 Act increased the support price of shorn wool from 72 to 99 cents per pound. This was the first increase since 1970. No 1977 wool payments would have been needed if the support price had remained at 72 cents. No payments are needed for 1977 marketings of mohair.

USDA Begins Issuing Half Billion Dollars In Barley, Sorghum Deficiency Payments:

Checks totaling more than \$156 million were issued by USDA in mid-April to barley and sorghum farmers. The 281,000 checks mailed represented about a third of the expected payout of a half-billion dollars in deficiency payments for these two crops.

In all approximately \$76.8 million will go to barley producers, while about \$79.5 million will be sent to sorghum farmers. The remainder of the payments will be made as applications are received at county ASCS offices.

Under a law signed by President Carter in April, barley producers who receive deficiency payments will be allowed to count these payments as 1977 income if they file an amended 1977 income tax return.

Deficiency payments are made when the average price received by farmers during the first 5 months of the marketing year falls below a government established target price. The per bushel payment rate is the difference between the target price and the higher

of either the loan rate for the commodity or the average price received by farmers.

For the 1977 sorghum crop, the average price received by farmers was \$1.69. The per bushel payment rate will therefore be 38 cents, the difference between the \$2.28 target price and the loan level of \$1.90.

For 1977-crop barley, the average price received was \$1.65. The per bushel payment rate will be 50 cents, the difference between \$1.65 and the barley target price of \$2.15. The 1977 barley loan rate was \$1.63.

Change in Tax Law Affects Farmers

A change in the tax law signed recently by President Carter would permit farmers to report as 1977 income millions of dollars in 1977 farm program payments they received after Dec. 31. To do so, farmers need to show that under their normal marketing practices, they could have sold the crop last year. Farmers may elect to do this to offset low income last year or to avoid possibility of having to report two payments during 1 year.

A farmer who has already filed a 1977 income tax return may take advantage of the change in the law by filing Form 1040-X within 3 years after the original filing date. Specific questions should be addressed to county extension agents or the local IRS office.

Emergency Farm Legislation Killed in Congress

House and Senate conferees completed work on H.R. 6782, the Emergency Agricultural Act of 1978, in early April. This bill provided for increases in the established target prices and loan rates for wheat, feed grains, and upland cotton to producers participating in the previously announced programs for these crops. The bill also provided for graduated target prices (flexible parity program) for producers who voluntarily removed from production either 35 or 50 percent of their planted acreage.

While this bill received Senate approval by a 49 to 41 vote, the House, by a vote of 268 to 150, later killed the measure. H.R. 6782 had been threatened with veto had it cleared Congress and been sent to the President for signature.

Conferees Draft New Bill

After the House defeat of H.R. 6782, Senate and House conferees met again in late April to draft another proposal to aid farmers. Their latest bill would authorize the Secretary of Agriculture to set target prices and would also establish a floor of 48 cents a pound for Commodity Credit Corporation (CCC) cotton loans. The 1977 Act prescribes formulas for determining the cotton loan level, but does not set a minimum.

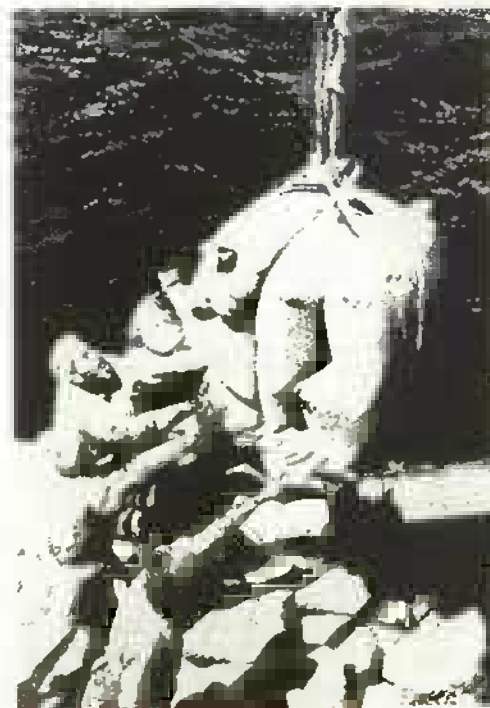
The Administration indicated that it would use the target price authority only to raise the 1978 wheat target price from \$3 to \$3.40 per bushel. The new bill would also increase the CCC lending authority from \$14.5 to \$25 billion effective October 1, 1978. This latest conference proposal is expected to be introduced to the House of Senate early in May.

House Approves Farm Credit Bill

On April 24, the House voted 347 to 23 for emergency credit legislation for farmers and ranchers. The bill, H.R. 11504, would authorize \$4 billion in government-insured and guaranteed loans for farmers by the end of 1979, and extend the 1974 Emergency Livestock Credit Act until September 30, 1979. In addition, the bill would:

- increase limits on Farmers Home Administration (FmHA) farm ownership loans from \$100,000 to \$200,000 for direct and insured loans and to \$300,000 for guaranteed loans,
- raise farm operating loan limits from \$50,000 to \$100,000 for FmHA insured loans and to \$200,000 for guaranteed operating loans,
- insure that FmHA mortgage guarantees be no less favorable than those offered by the Department of Housing and Urban Development,
- offer individual farmers up to \$400,000 to refinance outstanding loans with repayment over 30 years if secured by realty and over 7 years, renewable for 5 more years, if secured by other means,
- set a total loan ceiling of \$2 billion in 1978 and \$4 billion in 1979,
- enable farmers and ranchers owning livestock fed in custom feed yards to qualify for assistance under the Emergency Livestock Credit Act.

The bill next goes to the Senate where the Agriculture Committee has already approved a similar measure. *James Johnson and Cecil Davison, (202) 447-8840*



World Agriculture and Trade

Early indications point to another large world grain crop in 1978/79. As winter grains ripen and spring plantings get underway, no major problems have developed in the Northern Hemisphere. However, conditions remain dry in South America and Australia. At this time, the world area planted to both wheat and coarse grains is expected to be unchanged from 1977/78.

Our initial projection estimates 1978/79 world wheat and coarse grain production slightly above the 1.07 billion harvested in 1977/78 and just below the 1976/77 record. Most of the increase is expected in the USSR and several competing grain-exporting countries. In both cases, recovery is expected from reduced 1977/78 harvests.

Early prospects are generally favorable for 1978 world rice production, but there are several potential problem areas in Asia such as Thailand and Indonesia.

More Wheat in Canada

Canada's April 1 planting intentions indicate a slight increase in area planted to wheat. A near-doubling of durum plantings should offset slight decreases for other

wheat plantings. Canadian coarse grain plantings may be down 5 percent. Area planted to oilseeds is expected to expand by 36 percent.

Moisture conditions in the Prairie Provinces are adequate after a winter of heavy snows. Canadian wheat exports may fall slightly from 1977/78's expected record of 16 million tons but will still be the second highest in history.

Key Southern Hemisphere Countries Plagued by Bad Weather

Adverse weather has dampened prospects for Argentina's grain sorghum harvest and the Brazilian corn and soybean crops this year. Argentine feed grain exports will be about the same as last year's record 10.2 million metric tons.

Brazil's soybean crop is likely to total between 9.7 to 10.2 million metric tons, compared with 12 million a year earlier. The corn crop may fall to less than 15 million metric tons, compared with 18.8 million tons a year earlier. Brazil's soybean and soybean meal exports are expected to drop sharply and the country may even import over a million tons of corn in contrast to last year's exports of around 1.3 million tons.

Australia's wheat and feed grain crops were reduced by around a fifth because of a prolonged drought that began in late 1977. But wheat exports continued at a record pace in 1977/78 and are likely to total 10.5 million tons—the highest ever. Feed grain exports are expected to drop from last year's 3.4 million as the result of the drought. Exports of grains are also likely to drop in 1978/79 because of a drawdown in stocks.

Western Europe's Output Increasing

The outlook for Western Europe's agriculture in 1978 is for a continued increase in production of most crops and livestock products if weather remains favorable. Total production of grains is expected to be above last year's good crop of 135 million tons, with wheat production recovering from 1977's reduced level.

Potato production, however, is likely to be down as a result of overabundance and depressed prices in 1977. Also, excessive sugarbeet production in many countries is forcing farmers to lower output goals for 1978.

Meat production is expected to rise slightly this year, with continued major gains in pork and poultry.

U.S. agricultural exports to Western Europe in fiscal 1978 are not likely to match

the \$8.6 billion of 1977. Feed supplies in Western Europe—both grains and forages—have improved dramatically. U.S. soybean exports to Western Europe have increased in fiscal 1978, the result of larger U.S. supplies, sharply lower prices earlier in the season, and the depreciation of the dollar.

Soviets and East Europeans Set Ambitious Grain Goals

The Soviet Union's grain production target for 1978 calls for 220 million metric tons, 12 percent above 1977's crop of 196 million tons. To reach the target, yields would have to be boosted by favorable weather during the growing season since the grain area is expected to be down about 2 percent from 1977.

Winter grains were sown under good soil moisture conditions, and a late fall permitted good development. Winter damage to these grains is judged to have been about average. Because of good fall weather, fall fieldwork for spring grains was successfully completed, potentially benefitting yields.

Government targets call for 1978 grain production to expand by about a tenth in Eastern Europe—though this goal may be overly ambitious judging from past production gains. Land utilization and land improvement will be receiving special attention in 1978. Fertilizer use is expanding, and new crop varieties and larger machines also are being introduced.

Oilseed production in Eastern Europe, although slated to increase, is not likely to match the growth in demand. Domestic output accounts for only about a fifth of total oilmeal used in Eastern Europe, and the protein meal in feed concentrates is still below the optimal feed rations used in western developed countries.

With the opening of new soybean processing plants and expansion of old plants, some shift in imports from meal to beans is likely this year.

Asian Production Prospects Relatively Favorable

Agricultural production in South and East Asia is expected to continue to increase in 1978. Another good wheat crop is anticipated for India. India's summer crops

depend upon the performance of the monsoon during the critical months of July through September.

In Bangladesh, food grain production is expected to increase about 3.5 percent. Although small compared with total Bangladesh grain production, wheat production is expected to increase in 1978. However, per capita grain consumption will increase only slightly. Bangladesh remains subject to volatile domestic production due to adverse weather.

Pakistan expects a bumper 1978 wheat crop due to good weather, adequate irrigation water, increased area under high-yielding varieties, and higher procurement prices.

Thailand's 1978 spring rice crop is expected to be down, as was the fall crop. Drought continues and irrigation water supplies are insufficient.

Indonesia's 1978 rice crop also is in danger from low soil moisture and pests, and output may be slightly below the poor 1977 harvest.

In South Korea, barley production is expected to rebound in 1978. However, little growth is expected in the rice harvest following 1977's dramatic gain.

China experienced generally normal to above normal temperatures throughout most agricultural areas from the fall of 1977 to the spring of 1978.

Precipitation in January and February ranged from normal to above-normal. Crops planted in the fall to be harvested in summer of 1978 had a good start toward a record harvest. However, weather conditions worsened gradually in the North China Plains during late March and April, dimming winter crop prospects somewhat from the optimistic assessment earlier.

If the drought persists, damage to wheat could be serious, even though ample accumulated rainfall since September 1977 will tend to minimize the effect of the spring drought. At this point, weather damage to wheat is not as severe as in 1977.

Extended wet and cold weather in the South during March delayed some early rice transplanting. However, damage to early rice appears localized and not serious.

If favorable weather prevails for the remainder of the growing season, 1978 crop production could still be a record and significantly better than the poor crop of 270 million metric tons in 1977.

Africa and Near East Benefiting From Good Weather

The North African drought, which began in the spring of 1977, seems to have ended. Morocco and Libya received abundant rainfall during the winter, and Algeria received rains in February and March. The drought extended longer in Tunisia. After mid-1978, North African grain imports likely will drop off.

Drought and resulting food shortages have returned to the western part of the Sahel (including Mali, Mauritania, Gambia, Senegal, and Cape Verde Islands). Food contributions (chiefly grains) have been flowing in from the international community. To date, famine does not seem to be as serious as it was in the early 1970's. Guinea-Bissau (formerly Portuguese Guinea) has also suffered partial crop failure.

South Africa, after a dry start, is experiencing an excellent summer growing season. A near-record corn harvest of 9.8 million metric is estimated, with possible exports of 3.5 million tons. A large grain sorghum crop of 450,000 tons metric tons, with exports of about 160,000 tons, is also expected.

Iran's crop outlook for 1978 is for little expansion in area or production. Increases in consumption of wheat and feed grains will lead to higher imports.

In Turkey, weather remains favorable for wheat production, and a further expansion in output is anticipated. With a wheat surplus in excess of 5 million metric tons, Turkey's wheat exports could reach 1 to 2 million metric tons in 1978/79. Turkey has become a major competitor with the United States in the North African wheat market. Dewain Rahe, (202) 447-8260

May Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Fats and Oils	May 4
Vegetable	May 5
Sugar and Sweetener	May 9
Feed	May 15
Export Outlook	May 18
Livestock and Meat Supplement	May 19
Dairy	May 22
Wheat	May 24
Cotton and Wool	May 26

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.



The Dollar Decline and U.S. Agricultural Trade

By Amalia Vellianitis-Fidas
Foreign Demand and Competition Division
Economics, Statistics, and
Cooperatives Service

The dollar decline in foreign exchange markets during the first 3 months of 1978 has meant lower prices for our agricultural exports in a number of major export markets. However, internal supply demand considerations in foreign countries—rather than exchange rates—are likely to continue to be the prime determinant of our sales this year since at the very least a third of our agricultural exports involve trade that is not sensitive to world price changes or that contains elements of market interference which offsets the effects of a cheaper dollar.

To illustrate, about half of our agricultural exports in fiscal 1977 went to western Europe and Japan—areas where the dollar has suffered its severest declines. (From the end of December through the end of March the dollar fell 3.6 percent against the German mark, 6.8 percent against the Swiss franc, and 7.6 percent against the Japanese yen.)

However, a substantial portion of our food and feed grain exports to European Community (EC) countries and to Japan face either variable levels, or institutional

price arrangements which reduce the effects of lower prices resulting from a cheaper dollar.

As a result, internal supply considerations—rather than currency fluctuations—have been the prime factor governing these countries' grain purchases from us in the past. And it's expected that these considerations will continue to be of prime importance to our grain sales this year.

Soybeans and soybean products—which face relatively few trade barriers in developed countries—are probably one of our more exchange rate sensitive export items. Yet even for these items, factors other than price figure heavily in the level of sales.

For example, Japan's purchases of soybeans and soybean meal in fiscal 1977 reflected the level of soybean oil prices in Japan, and the supply situation around the world, rather than the yen's appreciation. The declines in Brazil's soybean production this year are expected to boost U.S. soybean exports to the world.

The decline of our dollar also has little or no effect on shipments to developing countries—which take about 30 percent of our farm exports. Many of these countries' currencies are tied to the dollar or have currencies which depreciated against the dollar. Thus, instead of becoming cheaper, our dollar has become more expensive or stayed the same since its value started floating 7 years ago.

In addition, much of the market in developing countries is for food grains, where demand is more price inelastic than for less essential foodstuffs. Consequently, imports are based heavily on the size of local supplies.

Exchange rate considerations also do not weigh as heavily in the import policies of the centrally planned countries. Instead, their purchases of primarily U.S. food and feed grains and soybeans are dependent on internal government policies and available domestic supplies although the level of purchases may be influenced by relative prices.

For Organization of Petroleum Exporting Countries (OPEC) countries with abundant foreign currency reserves, declines in the dollar are not likely to shift demand for U.S. exports of raw agricultural commodities vis-a-vis other exporters. Yet if these countries continue to increase imports of processed foods, U.S. exports will have a competitive edge over those from Europe and Japan.



Recent Publications

Below is a list of selected USDA publications, listed by subject area, which may be of interest to our readers. To order reports you will need to write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. Be sure when ordering to list the publication number and provide your zipcode.

ESCS Reports:

The publication order form provided on the inside back cover shows the publication numbers for ESCS reports listed below. Simply circle those you would like to receive and mail to ESCS Publications, Room 0054 South Building, U.S. Department of Agriculture, Washington, D.C. 20250.

FAS Reports:

FAS Information, Room 5918 South, U.S. Department of Agriculture, Washington, D.C. 20250.

State Reports:

Publications issued by a State Crop and Livestock Reporting Service may be obtained by writing the address shown in parentheses. No copies are available from the U.S. Department of Agriculture.

New report listings, by subject matter:

Cocoa

World Cocoa Bean Production Up In 1977/78. FCB 1-78 (FAS).

Coffee

Fourth World Coffee Production Estimate Down 2 Percent. FCOF 2-78 (FAS).

Cotton

Supplement for 1978 to Statistics on Cotton and Related Data, 1920-73. SB 535 (ESCS).

Dairy

Dairy Price Policy: Setting, Problems, Alternatives. AER-402 (ESCS).
Rise In World Milk Output To Continue In 1978; Dairy Stocks Grow Heavy. FD 1-78 (FAS).

Essential Oils

U.S. Essential Oil Trade Mounts In 1977. FTEA 2-78 (FAS).

Grains

Canadian Feed Grain, Policy, FAER-144 (ESCS).
Reference Tables On Rice Supply-Utilization For Individual Countries. FG 4-78 (FAS).
Grain Exports By Selected Exporters. FG 5-78 (FAS).

Livestock and Meat

U.S. Livestock Product Exports Exceed Imports In 1977. FLM MT 5-78 (FAS).
U.S. Customs Service Data On Meat Imports—February 1978. FLM MT 6-78 (FAS).

Nuts

Small Brazil Nut Crop Commands Record Prices In 1977. FN 3-78 (FAS).

Poultry and Eggs

World Poultry Meat and Egg Production Forecast To Increase Again In 1978. FPE 1-78 (FAS).
U.S. Poultry and Egg Exports At Record High In 1977. Imports Jump. FPE 2-78 (FAS).

Processed Fruits

Processed Cherry Production Falls In France And Italy. FCAN 1-78 (FAS).
World Tomato Processing Output Rebounds In 1977. FVEG 2-78 (FAS).

Seeds, Field And Vegetable

U.S. Seed Exports Continue To Expand—Mexico And Italy Now Leading Markets. FFVS 1-78 (FAS).

Spices

U.S. Trade In Spices And Flavoring Materials Up In 1977. FTEA 1-78 (FAS).

Tobacco

U.S. Tobacco Exports In 1977 Hit Record Value Of \$1.7 Billion. FT 1-78 (FAS).

Vegetables

Bumper Potato Crops in Western Europe, South America, And Canada. FVEG 1-78 (FAS).

Miscellaneous

Factors Affecting Imports of Grains, Oilseeds, and Oilseed Products In Iran. FAER 145 (ESCS).
USSR Agricultural Situation: Review of 1977 and Outlook for 1978. Supplement 1 to WAS 15 (ESCS).
Food Consumption, Prices, and Expenditures. Supplement for 1976 to AER-138 (ESCS).
Alternative Futures For World Food In 1985—Volume 1, World Gol Model Analytical Report. FAER-146 (ESCS).
A Socioeconomic Profile Of The Northern Great Plains Coal Region. AER-400 (ESCS).

State Reports

Preliminary Grape Crush Report 1977 Crop. California Crop and Livestock Reporting Service, P.O. Box 1258, Sacramento, California 95806.
Final Grape Crush Report 1977 Crop. California Crop and Livestock Reporting Service, P.O. Box 1258, Sacramento, California 95806.



General Economy

U.S. economic activity declined during the first quarter of 1978 largely as a result of the coal strike and the severe weather. The monthly indicators improved significantly in March and rapid growth is anticipated during the second quarter. Growth for the year is expected to be around 4 percent, assuming a tax cut of \$25 to \$30 billion.

The Nation's gross national product (GNP), declined 0.6 percent in the first quarter, after adjustment for inflation, following an increase of 3.8 percent in the fourth quarter of last year. The Department of Commerce estimates that the coal strike and the severe weather reduced real GNP by

REAL OUTPUT DECLINES



○ Change from previous quarter. Seasonally adjusted annual rate. ▲ Preliminary.

approximately 2½ to 3 percentage points from what it would otherwise have been.

Real final sales (GNP excluding inventory adjustments) in the first quarter declined 1.3 percent at an annual rate, following the strong 6.1-percent increase registered during the final quarter of last year.

Real personal consumption expenditures declined marginally in January-March as the increase in services did not offset the declines in durable and nondurable goods. Business investment showed some real growth but government purchases, residential construction, and net exports all declined.

Inventory accumulation, on the other hand, accelerated during January-March. Sluggish sales were a significant factor.

Inflation Accelerates

The GNP implicit price deflator, the broadest gauge of inflation, advanced at a seasonally adjusted annual rate of 7.1 percent during the first quarter, compared with 5.9 percent during the previous quarter.

At the same time, the Consumer Price Index in March advanced 9.3 percent at a seasonally adjusted annual rate from 3 months earlier and the wholesale price index was up 12 percent over the same period.

Expectations are for more moderate rates of inflation in the second quarter. Both the GNP deflator and the consumer price index are forecast to show average increases of about 6 to 7 percent for the year.

The recent inflation has had its impact on the farm sector as well as the rest of the economy. The fact that farmers must pay higher prices for inputs and have little control over the prices they receive for their products makes them particularly vulnerable.

Monthly Indicators Signal Upturn

An upswing in the monthly economic indicators occurred in March after a generally weak first quarter—especially for production, sales, and income.

Employment continued to gain in the first quarter—rising some 650,000 from December to March—despite the downturn in economic activity. The unemployment rate averaged 6.2 percent for the latest quarter, down from 6.6 percent in October-December.

Retail sales in February and March climbed strongly from January's weather-depressed level, and industrial production

rebounded in March at a seasonally adjusted 1.4 percent after a modest 0.3-percent rise in February and a 0.8-percent decline in January.

In March, housing starts were back up to a seasonally adjusted annual rate of 2 million units, and personal income climbed 1.2 percent, the biggest gain since December.

Consumer Income and Demand To Strengthen

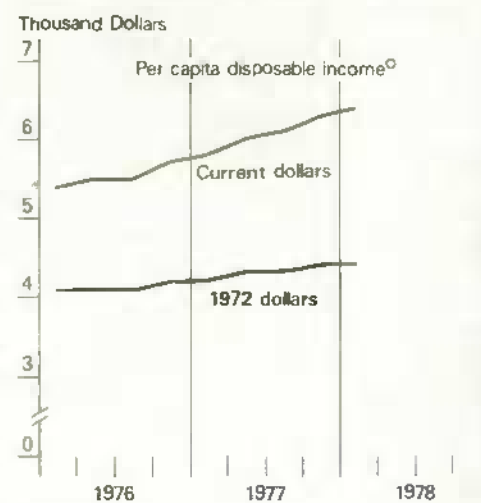
Real disposable personal income (DPI) rose a slim 1.3 percent (annual rate) during the first quarter, but was up 5.5 percent over the same quarter a year ago. Assuming a tax cut, real DPI in 1978 is expected to be up 4½ to 5 percent over 1977. On a per capita basis, the 1978 advance should be around 4 to 4½ percent.

Real personal consumption expenditures declined marginally during the first quarter. Sluggish income growth was a major factor, but consumers saved a larger percentage of disposable income—5.9 percent compared with 5.6 percent in the previous quarter.

Expenditures for food and beverages in constant dollars were up 3.1 percent over the first quarter of 1977, with spending for clothing and shoes advancing 4.6 percent. During the April-June quarter, year-to-year increases should pick up, thus helping to boost overall demand for food and fiber.

With renewed growth expected during the next three quarters, real consumer expenditures in 1978 should average about 4 percent higher than last year. *Ruth Elleson (202) 447-7643*

REAL INCOME HOLDS STEADY



○ Seasonally adjusted annual rates.



Spotlight on the Producer Price Index

The Bureau of Labor Statistics (BLS) began publishing a Producer Price Index (PPI) on April 6 with March 1978 data. This change parallels new emphasis on analysis of price movements by stage of processing groupings rather than by commodity groupings. The data and sampling techniques formerly used for the Wholesale Price Index (WPI) remain the same.

The PPI's continue to measure average changes in prices received in U.S. primary markets by producers of commodities in all stages of processing. A 2800-item sample of all commodities produced or imported for sale in commercial transactions is used in determining the PPI.

Despite the new emphasis on price movements by stage of processing, PPI's can be organized either by stage of processing or by commodities. The stage of processing structure organizes products by degree of fabrication—finished goods, intermediate or semi-finished goods, and crude materials. The commodity structure organizes products by similarity of end-use or material composition.

Problems With Commodity-Grouped Indexes

Commodity-grouped indexes sometimes produce exaggerated or misleading signals of price changes by reflecting the same price movement through various stages of processing.

For example, a price rise for wheat could result in a price increase for flour which could cause a boost in bread prices. As a result, the All Commodities Wholesale Price Index and the Farm Products and Processed Foods and Feeds Price Index would reflect the same price movement three times—for wheat, flour, and bread. This multiple counting occurs because the weighting structure for the All Commodities WPI uses total shipment values at all stages of processing.

For an analysis of general price trends, the stage-of-processing indexes are more useful than commodity-grouped indexes. For this reason, BLS is now emphasizing the Finished Goods Price Index, which appears to be the best available single measure of price changes at the producer level.

This index includes only price changes received by producers for those commodities that will eventually be sold to final users—both other producers and individual consumers.

BLS will continue to publish the All Commodities WPI, commodity-grouped indexes, and individual commodity indexes since they have a long history of interest and use.

Stage-of-Processing Breakdown

The state-of-processing (SOP) indexes are derived from the same detailed data as the All Commodities Indexes. Each commodity group is assigned to one or more SOP index according to the buyer of the commodity and the amount of processing, manufacturing, or assembling needed before the commodities enter the market. The same commodity group may be assigned to more than one stage of processing if different classes of buyers purchase the same commodity.

The stage-of-processing indexes include the following:

—*Finished goods* are commodities ready for sale to the ultimate user—either an individual consumer or a business firm. Producer finished goods (capital equipment) include such items as motor trucks and farm equipment. Consumer finished goods include foods which can be either unprocessed, like eggs or fresh vegetables, or processed, such as bakery products.

The makeup of the Finished Goods Price Index differs from the Consumer Price Index

(CPI). The Finished Goods Price Index includes capital goods not sold to consumers and, consequently, not in the CPI. The CPI includes services that are not in the Finished Goods Price Index. The Consumer Finished Goods PPI and the CPI/Commodities are the most nearly comparable, though not exact.

—*Intermediate materials* are those commodities that have been processed, but require further processing before they are ready for the final consumer, such as cotton yarn and flour.

—*Crude Materials* are any products entering the market for the first time that will have to be processed before final consumption. Most agricultural products, such as grains, raw cotton, and livestock, fall in this category.

Food accounts for about 25 percent of the Finished Goods Index, materials for food manufacturing represent about 3½ percent of the Intermediate Materials Index, and foodstuffs and feedstuffs account for around 58 percent of the Crude Materials Index.

In calculating the PPI, price changes for the various commodities are averaged together using weights representing their importance in the total net selling value of all commodities as of 1972. The base period used in expressing the published indexes is usually 1967.

Because of these changes, the wholesale price table in the Statistical Indicators section has been renamed and revised to reflect the new emphasis on stage of processing. Producer price indexes for food and agricultural products will be carried in this table. However, price indexes for commodities will continue to be carried for comparability with our previous WPI table. *Robert R. Miller (202) 447-7330*

Farm Population Drops

The U.S. farm population dropped 5.4 percent during 1977, or by some 450,000 persons, according to a report issued recently by the Bureau of the Census and the U.S. Department of Agriculture.

An average of 7.8 million persons, roughly 3½ percent of the total U.S. population, lived on farms in rural areas of the United States during the 12-month period centered on April 1977.

The farm population averaged a 3.1-percent decline annually during 1970-77. The rate of loss differed significantly by race, with a 2.5-percent average annual loss of white farm residents, compared with 10.3 percent for blacks.



Food and Marketing

The rate of increase in grocery store food prices still appears likely to slow somewhat this spring from the rapid rate experienced this past winter. Second quarter prices for food at home are expected to average around 2 percent above the first quarter and 7 percent above the second quarter last year. This would compare with a first quarter increase of a little more than 3 percent from the previous quarter and nearly 8 percent from a year earlier.

Barring serious weather problems affecting crop or livestock production, the rate of price increase is likely to slow further this summer. Third quarter grocery prices may average a little over 1 percent above the previous quarter and about 6½ percent above a year earlier.

By fall, when most major crops are harvested and supplies of red meat and poultry are seasonally large, grocery prices are expected to hold about steady at the third quarter level. Prices may end the year 6 or 7 percent above the fourth quarter of 1977.

For all of 1978, grocery store food prices still seem likely to average 6 to 8 percent above last year. Meanwhile, prices for food consumed away from home are expected to continue to rise throughout 1978 at an annual rate of 7 or 8 percent, about the same rate as for the past 2 years. Consequently, the average increase for all food prices for 1978 is also expected to fall within the 6- to 8-percent range.

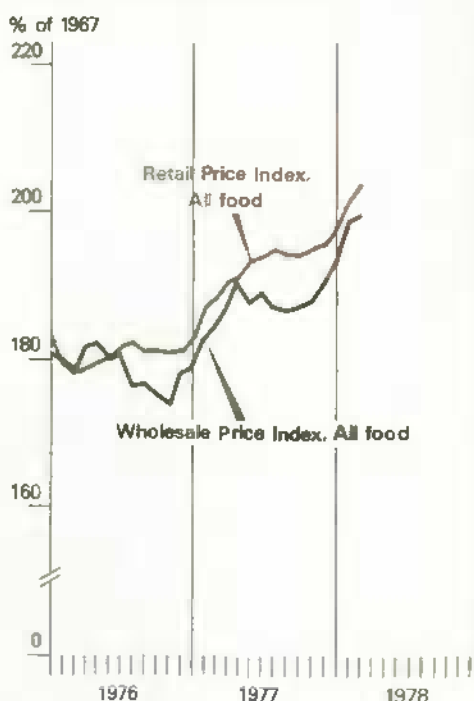
The anticipated rises in grocery store food prices this spring and summer will be broadly distributed among the major food groups. Prices are likely to climb for most major food items, except coffee, some fresh vegetables, and eggs.

Price increases for food products which originate on U.S. farms will reflect both higher prices for farm commodities and higher charges for marketing and distributing these foods. In contrast, last year about two-thirds of the average food price increase centered around a relatively few items, especially coffee and other imported foods and fish. Practically all of the remaining increase resulted from higher charges for marketing domestically produced food products after they left the farm.

For all of 1978, the farm value of domestic foods is expected to average 8 or 10 percent above 1977 and account for almost half of the total price rise. Farm-to-retail price spreads will probably average 6 or 7 percent above last year, reflecting rising wage rates and higher prices for most of the inputs used by marketing firms. Widening marketing spreads will account for about two-fifths of the 1978 food price advance.

Imported foods and fish will account for the remainder, or about a tenth of the price increase. Retail prices for these items are expected to average around 4 to 6 percent higher in 1978 as further price increases for fish, sugar and imported foods more than offset lower coffee prices. *Larry Summers (202) 447-8707*

FOOD PRICES UP SHARPLY IN FIRST QUARTER OF 1978



MARKET BASKET OF FARM FOODS¹

Period	Retail cost	Farm value	Farm-retail spread	Farmers' share
			1967=100	Percent
1966 ...	101.1	106.3	97.8	41
1967 ...	100.0	100.0	100.0	39
1968 ...	103.6	105.3	102.5	39
1969 ...	109.1	114.8	105.5	41
1970 ...	113.7	114.0	113.5	39
1971 ...	115.7	114.4	116.6	38
1972 ...	121.3	125.0	119.0	40
1973 ...	142.3	167.2	126.5	46
1974 ...	161.9	178.3	151.5	43
1975 ...	173.6	187.2	165.0	42
1976 ...	175.4	178.4	173.5	39
1977 ² ...	179.2	179.1	179.3	39
1978				
I ...	176.7	183.3	172.6	40
II ...	175.3	182.6	170.8	40
III ...	176.0	178.6	174.4	39
IV ...	173.5	169.1	176.3	38
1977 ²				
I ...	177.1	176.8	177.3	39
II ...	178.8	178.6	178.9	39
III ...	180.3	180.2	180.4	39
IV ...	180.6	179.2	181.6	38
1978 ²				
I ...	187.7	192.3	184.7	40

¹ Represents all food originating on U.S. farms sold in retail food stores. The retail cost is a component of the Consumer Price Index published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products less allowance for byproducts. The farm-retail spread is the difference between retail cost and farm value. ² Preliminary.

March Food Prices Continue To Rise

Retail food prices rose a little over 1 percent from February to March, reflecting higher farm prices for many U.S. commodities and some increase in prices of imported foods and fishery products.

Livestock products—including beef, pork, poultry, and eggs—accounted for about three-fifths of the rise at retail. Retail prices for fresh fruits and vegetables contributed most to the price increases on the crop side.

Despite the continuing upward pressure on operating costs of food marketing firms from rising wage rates and higher prices for most purchased goods and services, farm-retail spreads decreased 0.5 percent in March. This situation resulted because the 4-percent increase in returns to farmers from February to March was not fully reflected at retail. Thus, further price increases at retail are likely in April.

Prices of imported foods and fishery products increased about 0.6 percent in March, compared with a 1.4 percent rise for domestically produced foods. Among the imported foods, sharp price increases for bananas, sugar, and chocolate products were

partially offset by declining coffee prices. Prices for fishery products showed little change.

Compared with a year earlier, grocery store prices in March were up about 8 percent. Higher prices to farmers contributed about half of the rise. Increased marketing spreads and higher prices for fish and imported foods shared almost equally in the remainder. Away-from-home food prices were up nearly the same as grocery store prices, reflecting higher costs for the food purchased by eating establishments as well as rising operating costs. *Henry Badger (202) 447-8454*

Coffee Prices Continue Falling, Sugar Prices May Go Higher

In March, the composite green coffee price (a weighted measure of the major types of coffee) averaged \$1.68 per pound, com-

pared with about \$2 in December and January, and the April 1977 peak price of \$3.33 per pound. Wholesale prices of roasted coffee averaged \$3.03 per pound in March, almost a \$1 lower than the June 1977 peak.

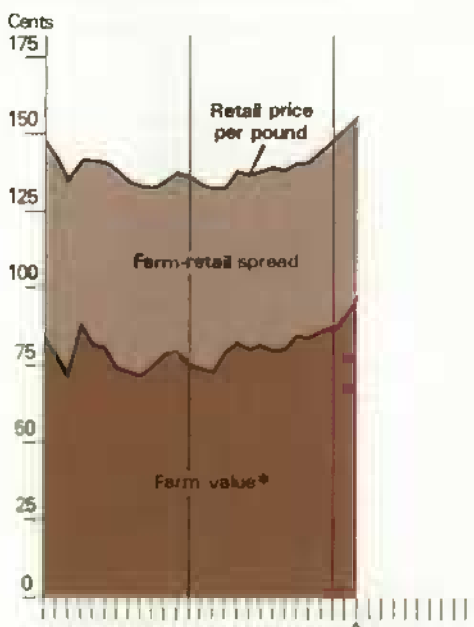
Coffee prices are expected to continue to decline in coming months. The U.S. average retail price of a 1-pound can of roasted coffee may decline to between \$2 and \$2.50 per pound by December, compared with \$3.43 in February. Declining coffee prices reflect expanding supplies and reduced consumption.

The U.S. average retail price for a 5-pound package of sugar rose from about 21 cents per pound last November to 24 cents per pound in March. Further increases in prices are likely this spring and summer, reflecting the recent hikes in raw and wholesale refined sugar prices. Retail sugar prices could be in the 24- to 26-cents-per-pound range by the third quarter. *Fred Gray, (202) 447-7290*

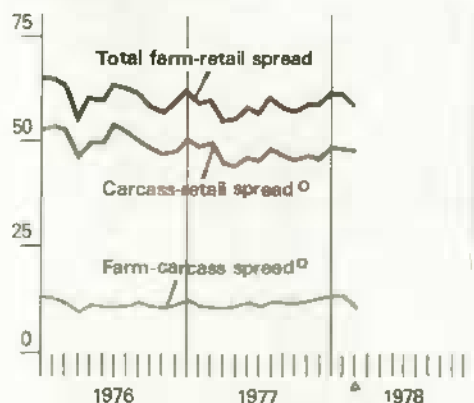
prices to farmers. Marketing spreads changed little. The farm value of pork this March was 28 percent above a year earlier, reflecting an increase in prices of barrows and gilts of about \$10 to around \$47.50 per cwt. Marketing spreads, although higher than in February, averaged about the same as in March 1977.

Retail prices for pork are expected to rise further through the summer as supplies of pork hold almost steady and hog prices strengthen in response to smaller beef supplies. As a result, farm-retail spreads may narrow the next few months. However, marketing spreads for pork may increase sharply in the fall if hog supplies increase as expected and prices decrease at the farm level. For the year, per capita pork supplies are expected to be only slightly above 1977, while retail pork prices may average around a tenth higher.

RETAIL BEEF PRICES UP AS FARM VALUES RISE ...



... SPREADS EASE



* Payment to farmer for 2.28 lbs. choice steer less allowance for byproducts. ○ Charges for in-city delivery, wholesaling and retailing. □ Charges for marketing, slaughtering, curing, processing, and shipping. ▲ Preliminary.

Beef Prices Rising

With smaller supplies available, prices for beef have been rising in recent months. Retail prices for Choice beef averaged around \$1.55 a pound in March, up 22 cents a pound (16 percent) from a year earlier and the highest in more than 2 years. The increase from a year ago resulted from higher farm prices for cattle.

Prices for Choice steers averaged about \$48 per cwt. in March, about \$11 higher than a year earlier. This increase raised the farm value (value of 2.28 pounds of live animal less an allowance for byproducts) per pound of retail cuts from 73 cents last year to 98 cents in March. Nearly half of this increase occurred in the last 2 months.

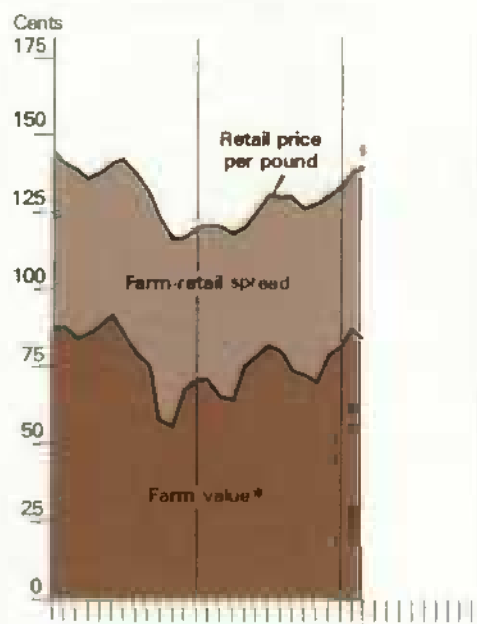
Reflecting the sharp rise in farm prices, the farm-retail spread narrowed from February to March, averaging about 57 cents, near the lowest level of the past 12 months. In the short run, marketing spreads usually decrease when farm prices for beef cattle increase rapidly because retail prices are slow to adjust to the new level.

Further declines in beef supplies this year, strengthening cattle prices, and higher marketing charges point to record-high beef prices toward yearend. Per capita beef supplies in 1978 are likely to total about 5 percent below last year. Retail prices may average around 12 percent higher.

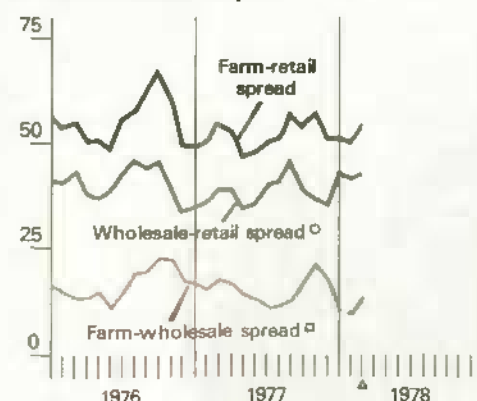
Pork Prices Also Rising

Retail prices for pork cuts averaged nearly \$1.40 per pound in March, about 15 percent higher than a year earlier. And, as with beef, the rise resulted from higher

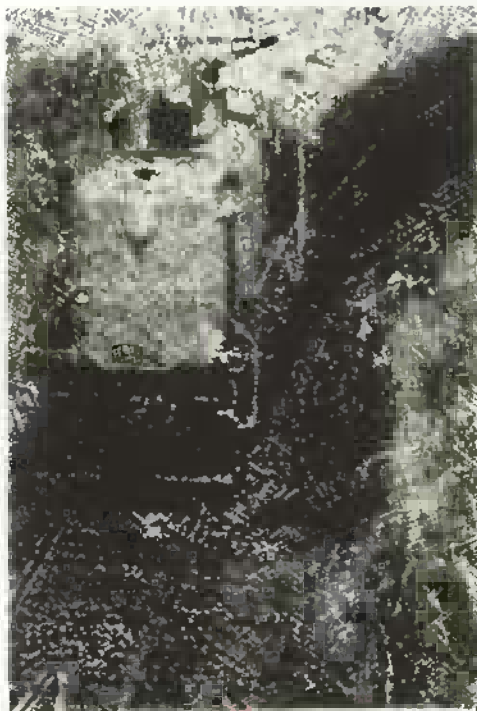
PORK PRICES AND FARM VALUES UP ...



... SPREADS RECOVER



* Payment to farmer for 1.97 lb. live hog less allowance for byproducts. ○ Charges for in-city delivery, wholesaling and retailing. □ Charges for marketing, slaughtering, curing, processing, and shipping. ▲ Preliminary.



Transportation

With the opening of the Great Lakes ports and the expected increase in railcar and barge loadings, the present transportation crunch should be relieved somewhat. Unless port facilities or ocean shipping themselves become bottlenecks, exports will likely rise again in April and May.

Despite railcar shortages, shipping delays, and bad weather, total grain inspections for export in March increased sharply in February to around 451 million bushels. March inspections were a third above the same month last year.

Railcar Loadings Below Year Ago

Reported shortages of boxcars and hopper cars increased during March, despite an increase in railcar loadings of grain.

Weekly railcar loadings averaged 23,700 in March, nearly a tenth above February but down from a year earlier.

Weekly loadings of nonmetallic minerals (including potash and phosphate rock) averaged 13,300 cars in March, up slightly from both a month and a year earlier.

The Interstate Commerce Commission (ICC) has continued to issue car service orders to help alleviate the grain-car shortage. The most recent order in mid-April required 11 major railroads to allocate at least 55 to 70 percent of their covered hopper cars for hauling grain.

In addition, half the cars allocated for grain shipments had to be directed to rural

elevators where shortages have been most acute.

Shippers are apparently placing additional car orders in anticipation of the availability of more cars as the weather and car utilization improve.

Barge Shipments Rise

Weekly barge shipments of grain during March averaged 24.8 million bushels, up considerably from 19.5 million in February. During the first week of April, barge shipments of grain exceeded 34 million bushels. This trend is expected to continue as commercial navigation on the Upper Mississippi River system began in early April and tows have been moving downstream toward Gulf ports. Increased barge shipments are now hampered by the closing of the Chain of Rocks lock (Locks and Dam 27), which may not open till late-May.

No major flooding is anticipated in the near future on any of the major waterways. Also water flow on some waterways is sharply above last year's low levels which hindered barge shipments.

The St. Lawrence Seaway opened in early April, slightly ahead of schedule. Activity at Great Lakes ports is expected to be in full swing by May.

Rail Rates Unchanged, Ocean Freight Rates Continued To Rise

Rail freight rates for shipping farm products remained virtually unchanged during March. However, Eastern and Western railroads are planning to file for a 4-percent general rate increase on May 1 in anticipation of approval by the ICC on June 1. The Southern railroads will file for a 2-percent increase.

Ocean freight rates for grain continued to rise in March, a trend which began last December. The increase is attributed to a backlog of ships awaiting loading at grain elevators in the Gulf area and to bad weather in general which has slowed port operations for all types of cargo. The recent devaluation of the U.S. dollar also contributed to the increase in rates.

Increased toll levels will go into effect this year on the St. Lawrence Seaway. This will be the first increase in tolls since the Seaway opened in 1959. The increases will be phased in over a 3-year period.

For grain, this means an increase from the existing 36 cents per metric ton to 50 cents in 1978, rising to 54 cents in 1979, and peaking at 59 cents in 1980. These higher tolls, however, should have only a nominal effect on ocean freight rates.

Floyd Gaibler, (202) 447-6363



Inputs

After easing during the latter part of 1977, prices of production inputs early this year have again picked up.

During the first quarter of 1978, prices paid by farmers for all production items—including wages, taxes, and interest—averaged around 5½ percent above a year ago. Prices increased for feeder livestock, interest, taxes, tractors, and other machinery; only feed and agricultural chemicals were running below a year ago. Fertilizer prices were about the same.

With some further acceleration likely in input prices during the latter part of this year, prices paid by farmers for production inputs for all of 1978 could average 6 to 8 percent over last year.

Farmers likely will increase feed purchases in light of anticipated gains in output of fed cattle and poultry. Increased cattle placements in feedlots will boost demand for feeder livestock.

On the other hand, reduced 1978 crop acreage may slightly reduce total consumption of seed, fertilizer, and agricultural chemicals. Farm machinery sales also are continuing to lag year-ago levels.

Baler Wire and Twine Inventories Low; Prices Could Move Up Slightly

Supplies of baler twine and wire appear adequate for expected demand but some spot shortages could occur because of relatively small inventories. Above-normal hay harvests last fall in several areas reduced twine and wire stocks to nominal levels for most dealers and importers.

Twine movement has been slow this spring and unless imports pick up during April-June, spot shortages could develop.

During the October 1977-February 1978 period, imports of baler twine totaled 101 million pounds, down about 5 percent from a year earlier. Many importers and dealers apparently are wondering if excess twine production capacity in Brazil and Mexico—our major sources of twine—will mean lower prices next year. Consequently, they are trying to end up with minimum inventories this fall. U.S. manufacturers also have unused plastic twine capacity, but are not likely to step up production unless market prices strengthen.

If late cuttings of hay were fairly heavy again this year, however, these low inventories of twine could cause farmers some difficulty in locating baler twine supplies.

Imports of baler wire have been quite low since the beginning of the year and could practically cease as the Treasury Department starts enforcing a trigger pricing program. However, domestic wire shipments rose more than a tenth over a year ago during October 1977-February 1978, probably more than offsetting the decline in imports. Nevertheless, since dealer and farmer inventories are generally low, tight supplies of wire could develop later in the haying season if yields are above normal in the West and Southwest, or if dealers delay their orders to manufacturers.

Demand for baling materials may slip a bit this year. Although little increase is now planned for 1978 hay acreage, the increased use of big roll balers and stacking equipment in recent years has cut into baler wire and twine requirements. Also, plastic twine has penetrated the wire market in the West, although wire is still widely used because truckers often will not haul twine-tied baled hay.

Fewer cattle and normal or above-normal carryover stocks point to less need for new hay in the coming winter. Although heavier-than-normal hay feeding has probably occurred since January 1, stocks at the

beginning of 1978 were up 17 percent from a year earlier. At the same time, cattle numbers were down almost 5 percent and are expected to decline further this year.

Baler twine prices have generally shown some early-season weakness, but if imports continue lower than normal this spring, mid- and late-season prices of twine could strengthen \$1 or \$2 per bale.

Retail prices of twine averaged \$14.50 per 40-pound bale in February, up 30 cents from last fall. The current price of natural fiber twine probably averages between \$14.00 and \$14.50 per bale, and plastic twine is about \$1 or \$1.50 per bale higher.

Wire prices are currently averaging about \$25 to \$27 per 100-pound box, depending upon the quantity a farmer or rancher purchases. Prices are about \$2 or \$3 higher per box than a year ago and are not likely to weaken. With imports tapering off and inventories down, prices could even strengthen slightly later in the season.

Richard Smith, (202) 447-9203

Fertilizer Use May Drop Slightly

Fertilizer use could be down about 3 percent in 1978, judging from farmers' reported intentions in April and the average reductions likely as a result of recently announced diversion programs. Nitrogen use could be down over 3 percent, and phosphate and potash use may be down by less than 3 percent.

Overall, fertilizer prices paid by farmers in March were about equal to year-earlier prices, but up slightly from December-January. Lower prices for several nitrogenous fertilizers were offset by some price increases for phosphate and potash fertilizers. Prices declined about 6 percent from a year earlier for ammonia, 3 percent for nitrogen solutions, and 1 percent for ammonium nitrate. Urea prices were about the same as a year earlier. Diammonium phosphate prices were up 3 percent. Superphosphate and muriate of potash prices also increased modestly.

The slight decline in use and overall adequate supplies should be reflected in continued stable prices. *Paul Andrienas, (202) 447-6620*

Farmland Values Up

The outlook for U.S. farmland values this year is dependent upon world agricultural production levels. If world output is as large as it was last year, then land values will likely increase only 4 to 8 percent. However, gains in land values may well be in the 10 to 15 percent range in the unlikely event that the low world output of 1973 should reoccur.

Farmland values nationwide rose 9 percent to \$490 an acre during the year ending February 1, 1978. While this increase was smaller than the 14 to 25 percent gains experienced during the 1973-77 period, the farmland market still can be characterized as strong.

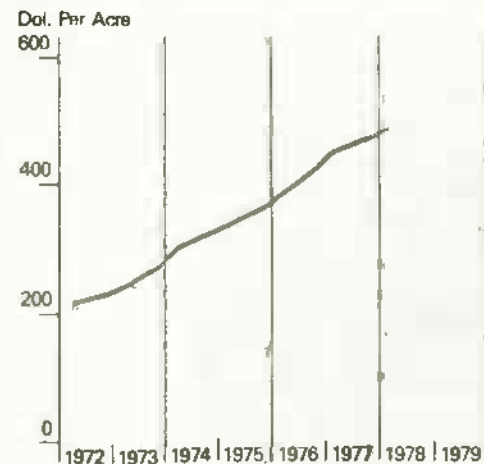
The cost-price squeeze, resulting from low commodity prices and increased input costs, was the single most important factor slowing rises in farmland values during 1977. During earlier years, farm enlargement was the dominant factor influencing farmland values, as expansion-minded farmers sought to better utilize farm machinery and labor to benefit from generally strong demand for farm products.

In the Midwestern States, the average increase in land values during the year ending February 1, 1978 was 9 percent, compared with 24 percent the preceding year. An extreme example is Iowa, where land values increased only 4 percent, compared with 35 percent in the previous year.

California, on the other hand, experienced a 13-percent increase, a considerable improvement over the 1-2 percent increases during the preceding 2 years. Upward spiraling land values, typical of the Midwest in recent years, did not occur in California.

In the Southern Plains States of Oklahoma and Texas, land value increases have been modest relative to the Midwest, averaging around 10 percent annually during the past 3 years. *Larry Walker, (202) 447-7385*

GAINS IN FARMLAND VALUES EASE





Information Sources

Here are the specialists within the Economics, Statistics, and Cooperatives Service who can provide much of the information you'll need about today's agriculture and related topics. Generally, those listed with an "S" can give you the latest production and stocks estimates, those identified with an "E" can help with supply-demand-price relationships and other economic factors, and those identified with a "C" can help with cooperative information.

CROPS, DAIRY, LIVESTOCK & POULTRY

Telephone (202)

Broilers

Swede Severson	S	447-2123
William Cathcart	E	447-8801

Cattle

James Kreber	S	447-6880
James Nix	E	447-8972

Com & Feed Grains		
William Dowdy	S	447-3843
James Naive	E	447-8636
Arthur Coffing (World)	E	447-9160

Cold Storage

Jim Lawson	S	447-6351
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Cotton

Doug Spillmann	S	447-7687
Russ Barlowe	E	447-8776

Dairy Products

Ron Sitzman	S	447-6351
Charles Shaw	E	447-8915

Eggs

Al Drain	S	447-2123
William Cathcart	E	447-8801

Floriculture

William Wilken	S	447-7720
Jules Powell	E	447-7133

Fruit

Dan Buckner	S	447-7720
William Wilken	S	447-7720
Jules Powell	E	447-7133

Hay

Dewayne Hamilton	E	447-8636
James Naive	S	447-3843

Hogs

Robert Bellinghausen	S	447-6880
James Nix	E	447-8972

Milk

Jim Lawson	S	447-6351
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Potatoes

Charles Koines	S	447-7720
Charles Porter	E	447-8666

Seeds

John Lange	S	447-7867
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Sheep

Paul Blackwood	S	447-6880
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Slaughter

Paul Blackwood	S	447-6880
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Sugar

James Gibson	S	447-7687
Tom Little	E	447-7290

Tobacco

James Gibson	S	447-7687
Robert Miller	E	447-7290

Turkeys

Swede Severson	S	447-2123
William Cathcart	E	447-8801

Vegetables

Charles Drain	S	447-7720
Charles Porter	E	447-8666

Wool

Paul Blackwood	S	447-6880
Russ Barlowe	E	447-8776

Wheat & Food Grains

Dewayne Hamilton	S	447-3843
James Naive	E	447-8636
Arthur Coffing (World)	E	447-9160

Other Crops

Floyd Rolf	S	447-2127
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Other Livestock, Dairy, and Poultry

Doug E. Murfield	S	447-6146
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State & Local Governments Jerome Stam	E	447-8874
Transportation John Gerald	E	447-6363
Weather Lyle Denny (Weather Service)		447-7917
Harry Delong	S	447-3843

New Combinations

During recent months, the U.S. Department of Agriculture has been undergoing reorganization involving the combination of some agencies, realignment of some duties, and a list of new alphabetical names to learn. Included among major changes are, briefly:

- the Office of Governmental and Public Affairs (GPA) which combines functions of the Office of Communications, the Office of Congressional and Public Affairs, and the Office of Intergovernmental Affairs;
- the Economics, Statistics, and Cooperatives Service (ESCS), a combination of the Economic Research Service, the Statistical Reporting Service, and the Farmer Cooperative Service;
- and the Science and Education Administration (SEA) which brings together the Agricultural Research Service, the Cooperative State Research Service, and the Extension Service.

Earlier, a new agency, the Food Safety and Quality Service (FSQS), was formed from components of the Agricultural Marketing Service and the Animal and Plant Health Inspection Service.

Statistical Indicators

Farm Income

Gross and net farm income¹

	Annual			1975		1976				1977 ²				1978
	1975	1976	1977	III	IV	I	II	III	IV	I	II	III	IV	1p
	\$ Bil.													
Cash receipts from farm marketings	88.1	94.3	95.0	94.1	89.0	93.0	100.4	91.5	92.4	96.7	97.1	90.4	95.9	101.2
Livestock and products	43.0	46.4	47.4	45.3	46.7	46.3	48.3	45.5	45.4	46.2	46.8	47.8	48.9	52.6
Crops	45.1	47.9	47.6	48.8	42.3	46.7	52.1	46.0	47.0	50.5	50.3	42.6	47.0	48.7
Nonmoney and other farm income ³	8.6	9.3	11.1	9.2	9.1	9.1	9.2	9.4	9.5	9.8	10.1	10.4	14.1	12.2
Realized gross farm income	96.7	103.6	106.1	103.4	98.1	102.1	109.6	100.9	101.9	106.5	107.2	100.8	110.0	113.4
Farm production expenses	75.9	81.7	85.7	78.8	76.7	79.1	84.2	82.3	81.2	84.5	86.5	83.3	88.5	92.1
Farmers' realized net income	20.8	21.9	20.4	24.6	21.4	23.0	25.4	18.6	20.7	22.0	20.7	17.5	21.5	21.3
Net change in farm inventories	3.5	-1.9	.9	2.9	5.5	-1.5	-2.2	-1.0	-2.7	-.5	.5	0	3.5	.5
Farmers' total net income ⁴	24.3	20.0	21.3	27.5	26.9	21.5	23.2	17.6	18.0	21.5	21.2	17.5	25.0	21.8
Current prices	24.3	20.0	21.3	27.5	26.9	21.5	23.2	17.6	18.0	21.5	21.2	17.5	25.0	21.8
1967 prices ⁴	14.6	11.4	11.3	16.3	15.7	12.5	13.3	9.9	10.0	11.7	11.3	9.2	13.0	11.1

¹ Quarterly data are seasonally adjusted at annual rates. ² These preliminary estimates are subject to revision in July 1978, as are the 1975 and 1976 figures. ³ Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ⁴ Deflated by the index of prices paid by farmers for family living items on a 1967 base. Since 1977 I movement is based on the overall change in the consumer price index. p Preliminary.

Cash receipts from farming

	Annual			1977					1978	
	1975	1976	1977	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	\$ Mil.									
Farm marketings and CCC loans ¹	88,077	94,326	95,025	6,825	8,304	10,968	10,469	8,853	8,807	6,873
Livestock and products	43,024	46,389	47,453	3,646	4,068	4,453	4,113	4,128	3,930	4,015
Meat animals	25,818	27,188	27,909	2,181	2,420	2,812	2,528	2,480	2,336	2,492
Dairy products	9,909	11,425	11,782	880	972	979	959	1,007	1,008	944
Poultry and eggs	6,791	7,192	7,207	544	634	619	587	584	543	538
Other	506	584	555	41	42	43	39	57	43	41
Crops	45,053	47,937	47,572	3,179	4,236	6,515	6,356	4,725	4,877	2,858
Food grains	7,763	6,799	5,886	353	694	557	240	224	345	283
Feed crops	12,153	13,475	12,257	895	802	1,411	1,909	1,266	1,571	830
Cotton (lint and seed)	2,311	3,552	3,961	208	196	654	861	1,055	602	178
Tobacco	2,155	2,270	2,331	65	424	286	360	284	227	46
Oil-bearing crops	7,278	8,855	9,197	880	567	1,950	1,452	659	1,232	707
Vegetables and melons	5,330	5,281	5,528	302	782	751	372	285	320	280
Fruits and tree nuts	3,531	3,500	4,271	217	415	504	552	483	300	277
Other	4,532	4,205	4,141	259	356	402	610	469	280	257
Government payments	807	734	1,864	110	88	86	104	1,030	308	219
Total cash receipts ²	88,884	95,060	96,889	6,935	8,392	11,054	10,573	9,883	9,115	7,092

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1977					1978	
	1975	1976	1977	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1967=100									
All commodities	113	121	124	104	131	176	169	139	133	101
Livestock and products	106	111	113	106	115	129	120	116	106	103
Crops	124	134	141	101	153	243	238	172	172	98

Cash receipts¹ from farm marketings, by States, January-February

	Livestock and Products		Crops ²		Total ²	
	1977	1978	1977	1978	1977	1978
\$ Mil. ³						
NORTH ATLANTIC						
Maine	45.0	41.1	33.4	23.3	78.5	64.3
New Hampshire	9.3	9.7	3.2	3.1	12.5	12.8
Vermont	36.3	40.3	2.3	5.4	38.6	45.7
Massachusetts	19.6	18.9	20.1	18.7	39.7	37.6
Rhode Island	2.2	2.3	2.1	2.1	4.3	4.3
Connecticut	23.1	22.4	39.4	30.5	62.5	52.9
New York	189.6	203.4	76.1	67.6	265.8	271.1
New Jersey	18.3	17.9	17.0	18.2	35.3	36.1
Pennsylvania	207.9	215.1	98.1	95.0	306.1	310.1
NORTH CENTRAL						
Ohio	181.1	194.0	280.9	231.4	461.9	425.5
Indiana	206.4	231.4	410.8	366.9	617.2	598.3
Illinois	291.3	321.6	896.1	915.8	1,187.4	1,237.3
Michigan	134.3	142.7	128.0	150.1	262.3	292.7
Wisconsin	394.7	424.7	57.6	102.6	452.3	527.3
Minnesota	345.3	377.5	264.0	344.3	609.2	721.8
Iowa	620.9	709.6	692.2	616.8	1,313.1	1,326.4
Missouri	233.7	260.3	175.2	218.6	408.9	478.9
North Dakota	81.1	90.5	172.5	113.3	253.5	203.8
South Dakota	254.6	282.3	38.1	104.7	292.6	387.0
Nebraska	344.3	393.1	296.2	395.7	640.5	788.8
Kansas	306.0	357.8	222.6	269.3	528.7	627.1
SOUTHERN						
Delaware	27.8	30.9	9.2	8.3	37.0	39.2
Maryland	68.8	73.5	21.5	17.1	90.3	90.7
Virginia	84.2	86.3	39.2	37.6	123.4	123.9
West Virginia	13.3	13.7	7.9	7.3	21.3	21.0
North Carolina	171.7	180.0	84.7	77.9	256.3	257.9
South Carolina	46.8	49.7	50.8	48.3	97.6	97.9
Georgia	193.9	205.7	90.8	55.4	284.7	261.1
Florida	115.8	115.7	399.2	504.1	515.0	619.8
Kentucky	110.1	117.1	276.4	243.4	386.5	360.4
Tennessee	119.5	125.1	86.8	89.0	206.4	214.2
Alabama	166.2	178.3	68.8	57.9	235.0	236.2
Mississippi	105.4	111.2	142.6	163.6	248.0	274.8
Arkansas	163.5	170.6	146.9	200.7	310.4	371.2
Louisiana	67.5	73.1	134.7	126.3	202.1	199.5
Oklahoma	207.4	233.8	104.2	101.4	311.6	335.2
Texas	518.2	583.1	568.3	613.2	1,086.5	1,196.3
WESTERN						
Montana	49.9	54.7	93.1	67.7	143.0	122.4
Idaho	67.9	77.4	97.4	101.0	165.3	178.5
Wyoming	24.7	27.8	9.9	8.2	34.6	36.0
Colorado	199.2	216.7	71.3	76.3	270.5	293.0
New Mexico	52.0	57.8	24.0	20.4	75.9	78.3
Arizona	85.1	95.5	124.8	117.8	210.0	213.4
Utah	37.9	44.0	13.5	11.3	51.4	55.3
Nevada	17.1	19.6	10.3	10.0	27.3	29.6
Washington	81.1	88.7	172.1	147.0	253.2	235.7
Oregon	56.0	62.8	80.9	70.9	136.9	133.7
California	454.1	485.0	617.0	616.6	1,071.0	1,101.6
Alaska6	.6	.4	.4	.9	1.0
Hawaii	10.3	10.3	42.1	42.1	52.4	52.4
UNITED STATES						
Grand Total	7,260.8	7,945.3	7,514.7	7,734.7	14,775.4	15,680.0

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. ³ Rounded data may not add.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar p
	1967=100									
Prices Received										
All farm products	185	186	183	190	178	179	181	186	193	200
All crops	201	197	193	211	178	185	183	188	190	196
Food grains	242	201	156	160	160	173	176	178	182	187
Feed grains and hay	230	218	182	210	152	167	172	176	180	183
Feed grains	232	214	174	202	145	162	167	172	175	179
Cotton	183	265	270	310	236	228	213	213	224	225
Tobacco	162	164	176	172	177	185	183	185	184	181
Oil-bearing crops	197	205	243	276	193	202	204	207	200	224
Fruit	138	132	161	131	222	195	185	187	194	203
Fresh market ¹	137	131	160	124	234	202	190	186	201	210
Commercial vegetables	162	161	179	227	168	186	155	187	183	184
Fresh market	173	173	198	270	183	210	163	207	201	202
Potatoes ²	214	201	199	179	177	187	184	184	187	186
Livestock and products	172	177	175	171	177	174	180	185	196	204
Meat animals	169	170	168	162	171	165	174	183	197	209
Dairy products	175	192	193	187	203	203	205	203	203	203
Poultry and eggs	179	178	174	183	163	165	167	166	179	182
Prices Paid										
Commodities and services,										
interest, taxes, and wage rates	180	191	202	202	201	202	203	209	211	214
Production items	182	193	200	201	198	199	199	203	206	211
Feed	187	191	186	202	164	172	177	179	178	182
Feeder livestock	134	154	158	158	164	157	158	170	185	202
Interest payable per acre on farm real estate debt	281	303	331	331	331	331	331	384	384	384
Taxes on farm real estate	162	176	195	195	195	195	195	210	210	210
Wage rates (seasonally adjusted)	192	210	226	229	220	220	220	244	244	244
Production items, interest, taxes, and wage rates	187	198	208	209	206	206	207	215	218	221
Prices received (1910-14=100)	463	465	457	474	444	448	452	465	482	500
Prices paid, etc. (Parity index) (1910-14=100)	614	653	687	686	684	688	690	710	717	727
Parity ratio ³	76	71	67	69	65	65	66	65	67	69

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, interest, taxes and wage rates. p. preliminary

Prices received by farmers, U.S. average

	Annual*			1977				1978		
	1975	1976	1977p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Crops										
All wheat (\$/bu.)	3.68	3.15	2.29	2.43	2.30	2.46	2.47	2.53	2.59	2.65p
Rice, rough (\$/cwt.)	10.12	6.90	7.91	6.81	8.92	10.20	11.00	10.70	10.70	11.30p
Corn (\$/bu.)	2.70	2.49	2.03	2.35	1.67	1.88	1.96	2.00	2.03	2.11p
Sorghum (\$/cwt.)	4.31	4.01	3.12	3.55	2.80	3.03	3.05	3.15	3.20	3.26p
All hay, baled (\$/ton)	51.40	58.00	57.10	63.90	48.20	48.40	49.50	50.50	51.80	51.40
Soybeans (\$/bu.)	5.24	5.58	6.82	7.83	5.28	5.61	5.69	5.75	5.53	6.28p
Cotton, Upland (cts./lb.)	41.2	59.9	60.3	70.1	53.1	51.4	47.9	48.0	50.3	50.7p
Potatoes (\$/cwt.)	4.04	4.15	3.82	3.62	3.16	3.15	3.01	3.21	3.19	3.24
Dry edible beans (\$/cwt.)	20.30	16.40	17.60	14.50	22.20	24.10	22.80	21.60	22.80	21.40
Apples for fresh use (cts./lb.)	10.6	10.1	12.3	11.4	12.7	12.4	12.6	12.6	13.6	14.8
Pears for fresh use (\$/ton)	¹ 169	178	146	102	197	185	207	195	205	274
Oranges, all uses (\$/box) ²	1.80	1.69	2.67	1.57	5.26	4.27	3.70	3.71	4.16	4.49
Grapefruit, all uses (\$/box) ²	1.78	1.42	1.63	1.13	2.94	1.73	1.84	1.27	1.38	1.25
Livestock										
Beef cattle (\$/cwt.)	32.20	33.90	34.50	33.80	35.40	34.60	35.70	37.20	39.90	43.80
Calves (\$/cwt.)	26.90	34.50	36.90	36.60	37.60	37.00	37.80	40.80	44.50	49.10
Hogs (\$/cwt.)	47.60	43.00	40.00	37.10	39.90	37.50	41.50	43.90	47.90	46.80
Lambs (\$/cwt.)	42.10	47.60	51.30	49.20	52.10	52.20	56.00	61.00	62.80	67.70
All milk, sold to plants (\$/cwt.)	8.78	9.66	9.72	9.43	10.20	10.20	10.30	10.20	10.20	10.20p
Milk, manuf. grade (\$/cwt.)	7.71	8.56	8.71	8.46	8.99	9.10	9.16	9.12	9.18	9.18p
Broilers (cts./lb.)	26.2	23.1	23.5	24.3	23.1	21.0	20.2	22.8	24.3	24.8
Eggs (cts./doz.) ³	52.8	58.8	54.0	58.8	47.3	51.3	53.6	49.4	55.1	55.4
Turkeys (cts./lb.)	33.6	31.8	34.8	34.2	36.5	38.7	40.3	38.0	37.1	37.8
Wool (cts./lb.) ⁴	44.3	65.1	71.4	72.4	71.3	70.6	69.3	72.9	72.7	72.1

¹ Eleven month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments. p. Preliminary. * Calendar year averages.

Producer and Retail Prices

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
	1967=100									
Finished goods ¹	163.4	170.3	180.6	177.5	183.9	184.5	185.5	186.8	188.3	189.0
Consumer foods	181.0	180.2	189.1	186.6	189.8	190.4	192.9	194.8	199.3	200.1
Fruits and vegetables ²	183.7	178.4	192.2	219.2	187.9	192.9	170.1	197.1	204.6	201.6
Eggs	159.8	179.1	162.0	173.5	137.6	149.4	166.3	145.2	170.3	167.4
Bakery products	178.6	180.0	186.2	185.1	189.0	189.8	192.0	191.8	193.6	194.4
Meats	188.7	173.6	170.7	160.5	175.7	174.7	183.6	185.9	198.2	197.6
Beef and veal	176.3	156.0	157.5	147.1	163.8	163.5	168.5	171.0	182.7	188.6
Pork	214.7	201.4	190.1	178.7	195.5	189.4	207.0	206.3	221.7	206.2
Poultry	184.1	166.2	173.3	174.7	170.1	163.0	160.0	169.1	183.7	184.4
Fish	218.7	272.4	294.3	296.8	283.6	287.2	294.8	293.5	288.5	291.4
Dairy products	155.8	168.5	173.4	168.0	175.9	176.9	178.2	178.0	178.7	180.3
Processed fruits and vegetables	169.8	170.2	187.3	184.0	190.3	193.0	194.4	194.4	194.6	195.6
Refined sugar ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	100.1	112.0	108.6
Vegetable oils and products	211.5	174.2	198.7	187.7	197.0	192.3	197.4	194.5	193.9	206.6
Consumer finished goods less foods	153.1	165.8	172.1	169.2	175.5	175.8	176.2	177.2	177.7	178.2
Beverages, alcoholic	134.7	138.1	139.7	138.4	141.2	140.5	142.0	142.5	145.2	146.3
Beverages, nonalcoholic	186.1	187.2	198.1	194.2	202.1	203.5	203.5	204.7	207.3	207.3
Apparel	133.4	139.9	147.3	146.0	148.6	149.1	149.4	149.8	149.8	150.0
Footwear	147.8	158.9	168.9	166.4	171.7	172.0	172.1	173.8	176.2	176.2
Tobacco products	149.6	163.0	180.0	174.8	189.6	189.6	189.9	190.4	191.2	190.9
Intermediate materials ⁴	180.0	189.3	201.7	198.7	204.4	204.8	205.3	207.0	208.9	210.7
Materials for food manufacturing	209.4	180.6	181.7	182.0	177.5	181.1	185.8	186.2	191.2	195.7
Flour	163.4	147.8	118.9	125.8	118.5	123.1	122.0	129.6	127.5	130.6
Refined sugar ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	101.5	108.3	106.0
Crude vegetable oils	208.1	162.5	197.5	222.9	164.3	175.0	196.6	185.9	184.6	223.9
Crude materials ⁶	196.9	205.1	214.3	219.9	208.0	210.5	215.6	219.6	225.0	231.2
Foodstuffs and feedstuffs	191.8	190.1	190.9	197.1	182.6	185.4	189.9	194.0	201.3	207.5
Fruits and vegetables ²	183.7	178.4	192.2	219.2	187.9	192.9	170.1	197.1	204.6	201.6
Grains	223.9	205.9	165.3	183.4	144.7	164.6	167.3	169.1	170.8	178.9
Livestock	187.8	173.3	173.0	163.5	177.5	171.6	182.7	188.2	202.1	208.3
Poultry, live	189.8	166.9	175.4	177.2	170.5	162.7	157.8	170.2	188.8	187.9
Fibers, plant and animal	153.1	223.9	202.3	252.4	166.9	164.1	161.0	171.0	174.4	186.9
Milk	180.2	201.2	202.6	195.2	209.6	209.8	210.1	208.4	209.7	219.7
Oilseeds	198.5	204.4	236.8	272.5	181.6	202.3	204.2	206.1	195.5	224.0
Coffee, green	177.8	305.5	504.1	632.2	392.6	431.5	431.5	417.2	408.3	386.2
Tobacco, leaf	n.a.	164.2	n.a.	173.0	n.a.	185.3	185.3	185.1	184.4	181.9
Sugar, raw cane	316.2	185.5	149.5	160.6	134.0	n.a.	134.0	172.5	192.5	182.1
All commodities	174.9	183.0	194.2	192.0	196.3	197.0	198.2	199.9	202.0	203.8
Industrial commodities	171.5	182.4	195.1	191.7	199.1	199.2	200.0	201.5	202.8	204.1
All foods ⁷	186.0	178.9	186.8	184.8	187.1	188.1	190.5	193.3	198.3	199.2
Farm products and processed foods and feeds	184.2	183.1	188.8	190.9	184.2	186.8	189.5	192.1	196.6	200.3
Farm products	186.7	191.0	192.5	202.5	182.4	185.5	188.3	192.2	198.9	205.3
Processed foods and feeds	182.6	178.0	186.1	183.9	184.5	186.7	189.3	191.3	194.6	196.8
Cereal and bakery products	178.0	172.1	173.2	171.5	175.4	179.7	182.0	183.6	184.7	185.7
Sugar and confectionery	254.3	190.9	177.6	180.2	170.1	177.8	179.0	185.8	193.8	192.9
Beverages	162.4	173.5	200.9	199.6	204.3	200.6	201.3	201.9	201.1	200.0
Wholesale spot prices, 9 foodstuffs	227.3	201.6	208.2	212.0	201.2	208.8	215.1	215.4	220.8	225.1

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

Consumer Price Index, U.S. average (not seasonally adjusted)

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
	1967=100									
Consumer price index, all items	161.2	170.5	181.5	178.2	184.5	185.4	186.1	186.9	188.3	189.8 ¹
Consumer price index, less food	157.1	167.5	178.4	175.1	181.6	182.5	183.1	183.6	184.5	185.8
All food	175.4	180.8	192.2	188.6	194.4	195.6	196.3	198.2	201.3	203.6
Food away from home	174.3	186.1	200.3	195.2	204.6	205.4	206.2	207.2	208.1	209.3
Food at home	175.8	179.5	190.2	186.9	191.7	193.0	193.7	195.9	199.6	202.1
Meats ¹	177.9	178.2	174.2	170.8	176.3	177.5	178.3	182.2	187.5	192.0
Beef and veal	170.0	164.5	163.6	160.7	163.7	166.0	168.0	170.5	175.6	179.2
Pork	196.9	199.5	188.8	184.1	194.2	193.8	191.7	198.4	204.5	209.2
Poultry	162.4	155.7	156.7	158.3	158.5	157.4	153.6	158.0	161.3	165.4
Fish	203.3	227.3	251.3	241.5	260.3	262.4	262.6	265.1	264.9	265.4
Eggs	157.8	172.4	166.9	179.5	154.5	157.9	148.6	168.9	161.7	165.3
Dairy products ²	156.6	169.3	173.9	171.2	176.2	176.5	176.9	177.5	179.4	179.9
Fats and oils ³	198.6	173.7	191.4	180.7	197.8	197.2	196.1	196.3	197.7	199.3
Fruits and vegetables	171.0	175.4	191.6	196.8	184.0	188.7	192.5	191.8	199.4	205.1
Fresh	166.1	170.2	193.4	205.4	178.6	185.0	188.0	185.9	196.5	205.9
Processed	178.3	183.0	188.8	184.0	192.1	194.2	199.2	200.5	203.7	203.9
Cereals and bakery products	184.8	180.6	183.5	181.3	185.6	187.1	189.0	190.8	194.5	194.4
Sugar and sweets	246.2	218.2	229.4	222.8	234.6	236.3	239.7	245.4	252.7	255.5
Beverages, nonalcoholic	178.9	214.0	322.4	286.4	343.2	337.4	334.3	332.4	331.0	329.7
Apparel commodities less footwear	140.6	144.9	150.6	148.1	153.7	155.1	154.5	151.0	151.7	153.2
Footwear	144.2	149.9	156.9	155.4	159.1	159.9	159.6	158.2	159.8	161.5
Tobacco products	153.9	160.5	168.2	166.0	171.7	172.8	173.0	173.4	173.8	174.1
Beverages, alcoholic	142.1	146.8	150.9	149.3	152.3	153.2	153.2	153.9	155.4	156.9

¹ Beef, veal, lamb, mutton, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Farm-Retail Price Spreads

Farm-retail price spreads

	Annual			1977p				1978p		
	1975	1976	1977p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Market basket ¹ :										
Retail cost (1967=100)	173.6	175.4	179.2	178.3	179.2	180.9	181.8	184.2	188.1	190.7
Farm value (1967=100)	187.2	178.4	179.1	177.5	179.1	179.0	179.5	186.2	191.3	199.5
Farm-retail spread (1967=100)	165.0	173.5	179.3	178.8	179.3	182.1	183.3	183.0	186.0	185.1
Farmer's share (%)	42	39	39	39	39	38	38	39	39	41
Beef, choice										
Retail price ² (cts./lb.)	146.0	138.9	138.3	133.2	141.5	141.9	144.8	148.2	151.2	154.6
Carcass value ³ (cts./lb.)	105.5	88.6	91.0	83.3	95.5	95.2	98.6	99.4	102.6	108.1
Net farm value (cts./2.28 lbs.)	92.9	77.9	79.9	73.1	84.4	83.4	86.1	86.6	89.8	98.1
Farm-retail spread (cts.)	53.1	61.0	58.4	60.1	57.1	58.5	58.7	61.6	61.4	56.5
Carcass-retail spread ⁴ (cts.)	40.5	50.3	47.3	49.9	46.0	46.7	46.2	48.8	48.6	46.5
Farm-carcass spread ⁵ (cts.)	12.6	10.7	11.1	10.2	11.1	11.8	12.5	12.8	12.8	10.0
Farmer's share (%)	64	56	58	55	60	59	59	58	59	63
Pork:										
Retail price ² (cts./lb.)	135.0	134.3	125.4	121.0	126.9	127.5	130.6	133.8	138.4	139.4
Wholesale value ³ (cts.)	103.8	93.6	87.6	82.1	88.2	90.6	95.1	91.5	96.5	96.4
Net farm value (cts./1.97 lbs.)	86.9	78.5	73.4	65.9	72.7	70.3	79.0	82.3	87.6	84.2
Farm-retail spread (cts.)	48.1	55.8	52.0	55.1	54.2	57.2	51.6	51.5	50.8	55.2
Carcass-retail spread ⁴ (cts.)	31.2	40.7	37.8	38.9	38.7	36.9	35.5	42.3	41.9	43.0
Farm-carcass spread ⁵ (cts.)	16.9	15.1	14.2	16.2	15.5	20.3	16.1	9.2	8.9	12.2
Farmer's share (%)	64	58	59	54	57	55	60	62	63	61
Milk, fresh:										
Retail price (cts./% gal.)	78.5	82.8	83.9	83.5	84.3	84.4	84.3	84.5	85.3	85.8
Farm value (cts./4.39 lbs. Class I)	41.2	46.2	45.8	44.3	46.8	46.8	46.7	47.3	47.6	47.2
Farm-retail spread (cts.)	37.3	36.6	38.1	39.2	37.5	37.6	37.6	37.2	37.7	38.6
Farmer's share (%)	52	56	55	53	56	55	55	56	56	55
Chicken, frying:										
Retail price (cts./lb.)	63.2	59.7	60.1	61.3	60.4	59.8	57.7	59.8	61.3	63.1
Farm value (cts./1.41 lbs. broilers)	37.0	32.6	33.0	34.0	33.0	30.2	27.9	31.2	32.9	33.7
Farm-retail spread (cts.)	26.2	27.1	27.1	27.3	27.4	29.6	29.8	28.6	28.4	29.4
Farmer's share (%)	59	55	55	55	55	51	48	52	54	53
Eggs, large grade A										
Retail price (cts./doz.)	77.0	84.9	82.3	88.9	75.6	77.0	71.9	82.7	80.8	81.8
Farm value (cts./1.03 doz.)	50.8	58.0	53.8	56.8	47.8	51.2	44.3	54.2	51.5	52.3
Farm-retail spread (cts.)	26.2	26.9	28.5	32.1	27.8	25.8	27.6	28.5	29.3	29.5
Farmer's share (%)	66	68	65	64	63	66	62	66	64	64

See footnotes at end of table.

Farm-retail price spreads—Continued

	Annual			1977p				1978p		
	1975	1976	1977p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Bread, white:										
Retail price (cts./lb.)	36.0	35.3	35.5	35.2	35.3	35.2	35.6	35.0	36.1	36.2
Farm value (cts./0.867 lb. wheat)	4.5	3.8	2.6	2.9	2.8	2.8	2.8	3.0	2.9	3.0
Farm value (cts. for all farm ingredients)	6.8	5.6	4.5	4.7	4.6	4.6	4.7	4.9	4.9	5.0
Farm-retail spread (cts.)	29.2	29.7	31.0	30.5	30.7	30.6	30.9	30.1	31.2	31.2
Farmer's share (%)	19	16	13	13	13	13	13	14	14	14
Lettuce:										
Retail price (cts./head)	41.7	47.7	47.6	43.1	53.2	49.0	56.2	50.6	64.8	50.1
Farm value (cts./1.88 lbs.)	13.8	17.1	15.0	15.5	21.3	22.8	13.9	19.8	22.0	14.8
Farm-retail spread (cts.)	27.9	30.6	32.6	27.6	31.9	26.2	42.3	30.8	42.8	35.3
Farmer's share (%)	33	36	32	36	40	47	25	39	34	30
Potatoes:										
Retail price (cts./10 lbs.)	134.4	145.8	149.7	144.8	129.1	131.4	132.0	129.0	130.5	132.9
Farm value (cts./10.42 lbs.)	42.2	43.2	41.2	37.7	32.9	32.8	31.3	33.4	33.2	33.7
Farm-retail spread (cts.)	92.2	102.6	108.5	107.1	96.2	98.6	100.7	95.6	97.3	99.2
Farmer's share (%)	31	30	28	26	25	25	24	26	25	25
Tomatoes:										
Retail price (cts./lb.)	57.9	57.6	67.8	70.9	59.8	63.3	73.0	72.1	56.8	70.2
Farm value (cts./1.18 lbs.)	23.8	23.8	28.2	37.5	21.3	35.6	22.1	27.8	20.8	25.4
Farm-retail spread (cts.)	34.1	33.8	39.6	33.4	38.5	27.7	50.9	44.3	36.0	44.8
Farmer's share (%)	41	41	42	53	36	56	30	39	37	36
Orange juice, frozen concentrate:										
Retail price (cts./6-oz. can)	28.2	28.7	34.6	32.1	38.4	39.2	41.2	42.2	43.3	43.8
Farm value (cts./3.08 lbs.)	8.6	10.7	10.5	8.9	11.3	11.3	11.3	13.2	15.3	18.6
Farm-retail spread (cts.)	19.6	18.0	24.1	23.2	27.1	27.9	29.9	29.0	28.0	25.2
Farmer's share (%)	30	37	30	28	29	29	27	31	35	42
Margarine:										
Retail price (cts./lb.)	62.9	52.5	57.2	53.2	59.7	59.8	59.0	58.6	59.4	60.8
Farm value (cts. for veg. oil and NFDM)	21.1	16.6	20.5	22.7	17.8	16.6	19.2	17.8	17.9	20.2
Farm-retail spread (cts.)	41.8	35.9	36.7	30.5	41.8	42.0	39.8	40.8	41.5	40.6
Farmer's share (%)	34	32	36	43	30	28	33	30	30	33

¹ For a market basket of U.S. farm foods representing the average quantities purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. ² Composite monthly average prices of all cuts adjusted for volume sold at special prices derived from BLS and food chain prices. ³ For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Livestock and Products

Livestock and Products output and prices

	1976			1977					1978		
	III	IV	Annual	I	II	III	IV	Annual	I	II ¹	III ¹
Beef (mil. lb.)	6,618	6,412	25,667	6,287	6,158	6,321	6,220	24,986	6,200	6,000	5,950
Change (pct.) ²	+11	+2	+8	-3	0	-4	-3	-3	-1	-3	-6
Pork (mil. lb.)	3,014	3,669	12,488	3,294	3,184	3,073	3,500	13,051	3,250	3,250	3,200
Change (pct.) ²	+18	+27	+8	+11	+12	+2	-5	+5	-1	+2	+4
Veal (mil. lb.)	205	224	813	201	187	205	201	794	185	140	140
Change (pct.) ²	-12	-9	-2	-2	+5	0	-10	-2	-9	-25	-32
Lamb and mutton (mil. lb.)	92	92	361	90	86	84	81	341	78	82	85
Change (pct.) ²	-12	-6	-10	-5	+5	-9	-12	-6	-13	-5	+1
Red meats (mil. lb.)	9,929	10,397	39,329	9,872	9,615	9,683	10,002	39,172	9,713	9,472	9,375
Change (pct.) ²	+12	+9	+8	+1	+4	-2	-4	0	-2	-1	-3
Broilers (mil. lb.)	2,372	2,186	8,988	2,156	2,399	2,424	2,248	9,227	2,335	2,545	2,600
Change (pct.) ²	+14	+10	+13	+2	+4	+2	+2	+3	+8	+6	+7
Turkeys (mil. lb.)	710	664	1,950	210	365	672	645	1,892	230	400	715
Change (pct.) ²	+14	+5	+14	+1	-1	-5	-3	-3	+10	+10	+6
Total meats (mil. lb.)	13,011	13,247	50,267	12,238	12,379	12,779	12,895	50,291	12,278	12,417	12,690
Change (pct.) ²	+13	+9	+9	+2	+4	-2	-3	0	0	0	-1
Eggs (mil. doz.)	1,335	1,353	5,377	1,324	1,335	1,330	1,414	5,403	1,375	1,365	1,360
Change (pct.) ²	-1	0	0	-1	0	0	+5	0	+4	+2	+2
Milk (bil. lb.)	30.2	28.5	120.3	29.8	33.1	30.9	29.0	³ 123.0	29.9	33.4	30.7
Change (pct.) ²	+6	+4	+4	+2	+2	+3	+2	+2	0	+1	-1
Total livestock and products (1974=100)	108.1	107.2	105.5	103.1	107.5	107.5	106.5	106.2	103.7	108.0	106.8
Change (pct.) ²	+9.1	+6.0	+6.6	+1.1	+2.8	-6	-7	+7	+6	+5	-7

See footnotes at end of table.

Livestock and products output and prices—Continued

	1976			1977					1978		
	III ¹	IV	Annual	I	II	III	IV	Annual	I	II ¹	III ¹
Prices											
Choice steers, Omaha (\$ per cwt.)	37.30	39.00	39.11	37.88	40.77	40.47	42.42	40.38	45.50	46-48	49-51
Barrows and gilts, 7-markets (\$ per cwt.)	43.88	34.25	43.11	39.08	40.87	43.85	41.38	41.30	47.50	45-47	48-50
Broilers, 9-city wholesale (cts. per lb.) ⁴	41.5	35.5	40.2	40.9	42.3	42.4	37.6	40.8	41.8	45-47	47-49
Turkeys, N.Y., wholesale (cts. per lb.) ⁴	48.5	49.0	48.8	50.2	51.5	53.1	61.3	54.0	60.5	57-59	54-56
Eggs, cationed, Grade A large, N.Y. (cts. per doz)	71.8	78.4	70.3	74.9	57.8	61.5	58.9	63.3	62.2	54-56	58-60
Milk, all at farm, (\$ per cwt.)	9.66	9.86	9.66	9.54	9.38	9.73	10.23	9.71	10.20	10.00-10.10	10.25-10.35
Livestock prices received by farmers (1967=100)	175	165	177	172	174	178	177	175	195	205	215

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens.

Dairy:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Milk production:										
Total milk (mil. lb.)	115,334	120,269	122,957	10,586	9,844	9,429	9,770	9,988	9,341	10,528
Milk per cow (lb.)	10,350	10,879	11,194	961	899	861	893	914	856	967
Number of milk cows (thou.)	11,143	11,055	10,984	11,012	10,955	10,952	10,939	10,931	10,915	10,883
Milk prices, Minnesota-Wisconsin:										
3.5% fat (\$/cwt.) ¹	7.62	8.48	8.58	8.31	8.74	8.79	8.87	8.91	9.00	9.09
Price of 16% dairy ration (\$/ton)	134	141	140	140	125	129	135	136	134	140
Milk-feed price ratio (lb.) ²	1.40	1.53	1.60	1.47	1.84	1.75	1.71	1.69	1.70	1.68
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,886	3,844	5,708	6,593	9,974	9,353	8,983	8,626	8,737	8,904
Commercial (mil. lb.)	5,576	3,719	5,299	5,408	6,029	5,403	5,187	4,938	5,229	5,136
Government (mil. lb.)	310	124	410	1,185	3,945	3,950	3,796	3,688	3,508	3,769
Imports, total milk equiv. (mil. lb.) ³	1,669	1,943	1,967	116	160	129	397	227	157	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,036	1,236	6,092	416.8	161.9	118.8	5.9	554.1	556.1	42.7
Butter:										
Production (mil. lb.)	983.8	978.6	1,093.6	96.2	84.9	81.8	89.3	108.3	95.7	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	94.2	203.4	198.3	193.7	184.9	195.7	217.0
Wholesale price, Grade A Chicago (cts./lb.)	79.4	92.0	98.4	92.7	100.7	100.9	101.5	100.7	100.7	101.1
USDA net removals (mil. lb.)	63.4	39.4	222.4	11.6	7.0	5.4	.1	26.0	26.7	2.1
Commercial disappearance (mil. lb.)	951.0	919.0	867.2	83.6	81.9	74.3	95.4	65.3	64.2	—
American cheese:										
Production (mil. lb.)	1,654.6	2,062.4	2,035.7	158.8	145.2	136.0	157.8	163.6	154.3	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	404.1	499.0	454.0	436.1	422.1	412.8	387.8
Wholesale price, Wisconsin assembly pt. (cts./lb.)	86.6	96.3	96.8	93.8	98.3	98.8	100.1	100.1	100.8	101.4
USDA net removals (mil. lb.)	68.2	38.0	148.3	17.8	1.4	.4	.1	1.4	.3	-.4
Commercial disappearance (mil. lb.)	1,717.1	1,934.5	1,951.4	159.2	195.2	154.3	172.2	169.5	169.9	—
Other cheese:										
Production (mil. lb.)	1,156.8	1,274.1	1,308.6	95.2	109.1	112.5	117.7	110.5	106.3	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	67.1	70.8	65.3	61.4	64.0	65.8	64.9
Commercial disappearance (mil. lb.)	1,331.9	1,460.7	1,505.4	130.9	129.0	128.6	155.3	121.1	121.0	—
Nonfat dry milk:										
Production (mil. lb.)	1,001.5	926.2	1,105.2	72.3	71.5	65.9	77.5	79.7	70.6	—
Stocks, beginning (mil. lb.)	293.2	468.9	485.4	469.3	679.0	688.3	681.7	677.9	689.4	681.4
Wholesale price, avg. manf. (cts./lb.)	63.3	63.4	66.5	63.1	67.9	68.0	68.1	68.1	68.0	—
USDA net removals (mil. lb.)	394.4	157.1	464.3	2.4	26.4	22.0	20.3	29.1	22.6	12.1
Commercial disappearance (mil. lb.)	697.0	719.2	680.8	91.7	58.9	44.6	63.9	50.3	54.5	—
Frozen dessert production (mil. gal.) ⁴	1,183.9	1,152.7	1,153.3	75.7	85.4	78.9	73.4	69.5	75.5	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbet.

Meat animals:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Cattle on feed (7-States):										
Number on feed (thou. head) ¹	6,369	8,537	8,213	7,556	6,958	8,140	8,567	8,927	8,614	8,276
Placed on feed (thou. head) ²	18,095	18,976	20,817	1,546	2,886	2,048	2,067	1,639	1,509	1,887
Marketings (thou. head)	14,988	18,167	18,720	1,710	1,589	1,498	1,605	1,740	1,666	1,698
Other disappearance (thou. head)	939	1,133	1,383	111	115	123	102	212	181	203
Beef steer-corn price ratio, Omaha (bu.) ³	15.8	15.2	19.9	15.9	23.6	20.7	21.1	21.7	22.2	22.8
Hog-corn price ratio, Omaha (bu.) ³	16.9	16.5	20.2	15.9	22.6	19.2	21.4	22.7	24.0	22.2
Commercial slaughter (thou. head)										
Cattle	40,911	42,654	41,856	3,618	3,556	3,542	3,470	3,468	3,268	3,467
Steers	17,819	18,879	19,342	1,711	1,543	1,544	1,562	1,606	1,555	1,661
Heifers	10,438	12,158	11,748	1,024	1,049	946	933	971	912	998
Cows	11,557	10,619	9,864	807	886	974	909	832	742	742
Bulls and stags	1,097	998	902	76	78	78	66	59	59	66
Calves	5,209	5,350	5,517	518	471	474	450	425	387	439
Sheep and lambs	7,835	6,714	6,356	595	545	495	455	438	402	502
Hogs	68,687	73,784	77,303	7,546	6,771	7,198	6,528	6,240	6,090	7,068
Commercial production (mil. lb.)										
Beef	23,673	25,667	24,986	2,190	2,095	2,080	2,045	2,077	1,953	2,073
Veal	827	813	794	70	70	68	63	62	56	60
Lamb and mutton	399	361	341	34	29	27	25	25	23	28
Pork	11,586	12,488	13,051	1,257	1,151	1,241	1,108	1,050	1,013	1,179
Market prices				Dol. per 100 pounds						
Slaughter cattle:										
Choice steers, Omaha	44.61	39.11	40.38	37.28	42.29	41.83	43.13	43.62	45.02	48.66
Utility cows, Omaha	21.09	25.31	25.32	26.67	24.89	23.80	25.02	27.59	30.34	32.44
Choice vealers, S. St. Paul	40.44	45.18	48.19	56.26	42.50	40.98	40.50	40.50	43.75	47.60
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	33.91	39.40	40.19	38.95	40.82	39.94	41.33	44.07	47.60	52.00
Slaughter hogs:										
Barrows and gilts, No. 1&2, Omaha ⁴	50.12	44.70	42.10	38.11	41.40	40.43	45.38	46.95	49.72	48.01
Barrows and gilts, 7-markets	48.32	43.11	41.07	37.53	40.83	39.33	43.99	45.99	48.83	47.50
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	44.80	36.54	35.42	38.58	34.94	32.32	30.38	35.88	44.12	51.63
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	44.45	49.87	54.28	55.70	55.69	55.06	58.75	61.44	64.88	76.69
Ewes, Good, San Angelo	15.34	17.69	19.19	22.15	19.69	20.88	25.75	26.19	26.94	28.40
Feeder lambs:										
Choice, San Angelo	41.40	51.28	55.12	56.25	55.75	63.19	68.83	67.00	76.31	80.85
Wholesale meat prices, Midwest⁵										
Choice steer beef, 600-700 lb.	72.55	60.99	62.69	57.12	65.87	65.47	68.10	68.74	71.08	74.88
Canner and Cutter cow beef	42.90	52.00	51.68	54.94	48.46	48.32	51.97	57.64	62.92	67.79
Pork loins, 8-14 lb.	92.69	86.45	83.04	72.36	85.60	76.95	88.70	91.60	92.63	90.04
Pork bellies, 12-14 lb.	78.52	65.27	54.19	48.91	49.15	43.79	51.32	59.37	67.14	74.54
Hams, skinned, 14-17 lb.	84.06	79.79	76.50	75.13	84.62	94.22	92.09	83.00	87.76	80.35

	Annual			1976				1977			1978	
	1975	1976	1977	IV	I	II	III	IV	I	II		

Cattle on feed (23-States):												
Number on feed (thou. head) ¹	9,622	12,328	11,948	9,282	11,948	10,619	9,765	9,793	12,799	11,716		
Placed on feed (thou. head) ²	24,685	25,508	27,657	8,762	5,614	6,007	6,479	9,557	6,479	—		
Marketings (thou. head)	20,500	24,170	24,861	5,684	6,462	6,147	6,159	6,093	6,773	—		
Other disappearance (thou. head)	1,479	1,718	1,935	412	481	714	292	448	789	—		
Hogs and pigs (14-States):⁴												
Inventory (thou. head) ¹	47,170	41,855	47,120	48,885	47,120	44,100	46,640	50,000	48,380	44,680		
Breeding (thou. head) ¹	6,283	6,368	6,788	6,828	6,788	7,016	7,352	7,307	7,477	6,930		
Market (thou. head) ¹	40,887	35,487	40,332	42,057	40,332	37,084	39,288	42,693	41,833	37,750		
Farrowings (thou. head)	8,417	9,996	10,506	2,524	2,304	2,893	2,716	2,593	2,285	2,935		
Pig crop (thou. head)	60,476	72,580	75,217	17,970	15,586	21,386	19,625	18,620	15,626	—		

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Poultry and eggs:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Eggs										
Farm production (mil.)	64,586	64,517	64,833	5,536	5,609	5,548	5,805	5,724	5,083	5,664
Average number of layers on farms (mil.)	278	274	275	274	282	285	287	285	281	278
Rate of lay (eggs per layer)	233	235	236	20.2	19.9	19.4	20.2	20.1	18.1	20.4
Cartoned price, New York, grade A										
Large (cts./doz.) ¹	63.9	70.3	63.3	67.4	56.0	56.6	64.0	57.2	64.9	64.0
Price of laying feed (\$/ton)	147	151	152	161	135	141	145	147	146	149
Egg-feed price ratio (lb.) ²	7.2	7.9	7.1	7.3	7.0	7.3	7.4	6.7	7.5	7.4
Stocks, beginning of period:										
Shell (thou. cases)	36	22	28	39	50	52	50	39	50	41
Frozen (mil. lb.)	54.2	36.3	26.1	24.6	33.7	33.4	31.2	29.7	28.1	25.7
Replacement chicks hatched (mil.)	454	492	502	51.3	37.6	34.5	32.5	36.8	37.1	47.0
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,966	8,987	9,227	783.2	775.5	719.8	753.2	781.4	715.7	—
Wholesale price, 9-city, (cts./lb.)	45.1	40.2	40.8	41.9	39.2	37.3	36.2	40.2	43.1	42.2
Price of broiler grower feed (\$/ton)	163	168	170	179	153	159	160	162	164	167
Broiler-feed price ratio (lb.) ²	3.2	2.8	2.8	2.7	3.0	2.6	2.5	2.8	3.0	3.0
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	26.5	30.7	31.2	33.3	29.4	27.4	21.8
Average weekly placements of broiler chicks, 21 States (mil.)	57.7	63.6	66.7	69.5	63.3	63.1	66.2	67.7	69.0	71.7
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,716	1,950	1,892	80.3	250.3	246.8	148.2	81.8	159.7	—
Wholesale price, New York, 8-16 lb.										
Young hens (cts./lb.)	53.2	48.7	54.0	52.3	57.4	60.7	65.8	60.5	59.2	60.9
Price of turkey grower feed (\$/ton)	167	174	184	188	168	175	177	177	177	179
Turkey-feed price ratio (lb.) ²	4.2	3.7	3.8	3.6	4.3	4.4	4.6	4.3	4.2	4.2
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	167.8	409.3	444.5	269.4	167.9	168.3	136.6
Poults hatched (mil.)	137.1	149.5	148.4	18.1	5.2	6.0	8.5	11.8	13.7	18.1

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Wool:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
U.S. wool price, Boston ¹ (cts./lb.)	150	182	183	182	182	182	182	182	178	178
Imported wool price, Boston ² (cts./lb.)	202	214	224	226	223	228	224	223	223	226
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	94,117	106,629	95,485	10,008	7,714	7,000	7,947	7,677	8,212	n.a.
Carpet wool (thou. lb.)	15,908	15,117	12,526	1,491	708	785	1,028	979	822	n.a.

¹ Wool price delivered at U.S. mills, clean basis. Graded Territory 64's (20.60-22.04 microns) staple 2 1/4" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis. Australian 64's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty n.a. Not available.

Crops and Products

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79 projected ³		1976/77	1977/78 estimated	1978/79 projected ³	
			Alt. I	Alt. II			Alt. I	Alt. II
Wheat:								
Area		Mil. acres				Mil. hectares		
Planted	80.2	74.8	—	—	32.5	30.3	—	—
Harvested	70.8	66.2	—	—	28.7	26.8	—	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	30.3	30.6	—	—	2.1	2.1	—	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	665	1,112	1,205	1,205	18.1	30.3	32.8	32.8
Production	2,142	2,026	1,920	1,610	58.3	55.1	52.3	43.8
Imports	3	2	2	2	.1	.1	.1	.1
Supply, total	2,810	3,140	3,127	2,817	76.5	85.5	85.1	76.7
Domestic	748	835	786	684	20.4	22.7	21.4	18.6
Exports	950	1,100	1,000	1,300	25.8	29.9	27.2	35.4
Use, total	1,698	1,935	1,786	1,984	46.2	52.7	48.6	54.0
Ending stocks	1,112	1,205	1,341	833	30.3	32.8	36.5	22.7
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	2.73	³ 2.31	2.25-2.75	3.25-3.75	100.31	³ 84.88	83-101	119-138
Price, Kansas City, No. 1 HRW	2.88	⁴ 2.63	—	—	105.82	⁴ 96.64	—	—
Rice:								
Area		Mil. acres				Mil. hectares		
Allotment	1.80	1.80	—	—	.73	.73	—	—
Planted	2.51	2.21	—	—	1.01	.92	—	—
Harvested	2.50	2.20	—	—	1.00	.91	—	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	4,663	4,412	—	—	5.23	4.95	—	—
		Mil. cwt.				Mil. metric tons		
Beginning stocks	36.9	40.5	27.9	27.9	1.67	1.83	1.26	1.26
Production	115.6	99.2	131.5	114.3	5.24	4.50	5.96	5.18
Imports	.1	—	—	—	.01	—	—	—
Supply, total	152.6	139.7	159.4	142.2	6.92	6.33	7.22	6.44
Domestic	42.7	43.8	43.1	47.1	1.94	1.99	1.95	2.13
Exports	65.6	68.0	61.2	70.4	2.98	3.08	2.77	3.19
Use, total	108.3	111.8	104.3	117.5	4.92	5.07	4.72	5.32
Ending stocks	40.5	27.9	55.1	24.7	1.83	1.26	2.50	1.12
Difference unaccounted	+3.8	—	—	—	+1.17	—	—	—
		Dol. per cwt.				Dol. per metric ton		
Price received by farmers	7.02	³ 9.43	6.25-6.75	9.00-10.00	154.76	³ 207.89	138-149	198-220
Price, long-grain milled, S.W. La.	14.60	⁴ 20.99	—	—	321.87	⁴ 462.75	—	—
Feed grains: ⁵								
Area		Mil. acres				Mil. hectares		
Planted	128.7	128.1	—	—	52.1	51.8	—	—
Harvested	106.3	107.0	—	—	43.0	43.3	—	—
		Tons per acre				Metric tons per hectare		
Yield per harvested unit	2.01	2.07	—	—	4.50	4.65	—	—

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79 projected*		1976/77	1977/78 estimated	1978/79 projected*	
			Alt. I	Alt. II			Alt. I	Alt. II
	Mil. short tons				Mil. metric tons			
Beginning stocks	19.0	33.0	48.2	48.2	17.2	29.9	43.8	43.8
Production	213.2	222.0	232.2	188.5	193.4	201.5	210.7	171.0
Imports4	.3	.3	.3	.4	.3	.3	.3
Supply, total	232.6	255.3	280.7	237.0	211.0	231.7	254.8	215.1
Feed	124.1	129.7	144.0	127.2	112.6	117.7	130.6	115.4
Food, seed, and industrial uses . . .	19.7	20.5	21.3	20.5	17.9	18.6	19.4	18.6
Domestic, total	143.8	150.2	165.3	147.7	130.5	136.3	150.0	134.0
Exports	55.8	56.9	49.4	59.1	50.6	51.6	44.8	53.6
Use, total	199.6	207.1	214.7	206.8	181.1	187.9	194.8	187.6
Ending stocks	33.0	48.2	66.0	30.2	29.9	43.8	60.0	27.4
Corn:								
	Mil. acres				Mil. hectares			
Area								
Planted	84.4	82.7	—	—	34.2	33.5	—	—
Harvested	71.3	70.0	—	—	28.9	28.3	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	87.9	90.8	—	—	5.51	5.71	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	399	884	1,207	1,207	10.1	22.5	30.7	30.7
Production	6,266	6,357	6,700	5,500	159.2	161.5	170.2	139.7
Imports	3	1	1	1	.1	(*)	(*)	(*)
Supply, total	6,668	7,242	7,908	6,708	169.4	184.0	200.9	170.4
Feed	3,587	3,750	4,125	3,725	91.1	95.2	104.8	94.6
Food, seed, and industrial uses . . .	513	535	560	540	13.0	13.6	14.2	13.7
Domestic, total	4,100	4,285	4,685	4,265	104.1	108.8	119.0	108.3
Exports	1,684	1,750	1,500	1,800	42.8	44.5	38.1	45.7
Use, total	5,784	6,035	6,185	6,065	146.9	153.3	157.1	154.0
Ending stocks	884	1,207	1,723	643	22.5	30.7	43.8	16.4
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	2.15	¹ 2.05	1.90-2.00	2.40-2.60	84.64	¹ 80.70	75-79	94-102
Price, Chi., No. 2 yellow	2.30	² 2.16	—	—	90.55	² 85.03	—	—
Soybeans:								
	Mil. acres				Mil. hectares			
Area								
Planted	50.2	59.1	—	—	20.3	23.9	—	—
Harvested	49.4	57.9	—	—	20.0	23.4	—	—
	Bu. per acre				Metric tons per hectare			
Yield per harvested unit	26.1	29.6	—	—	1.76	1.99	—	—
	Mil. bu.				Mil. metric tons			
Beginning stocks	245	103	200	200	6.7	2.8	5.4	5.4
Production	1,288	1,716	1,900	1,550	35.1	46.7	51.7	42.2
Supply, total	1,533	1,819	2,100	1,750	41.7	49.5	57.2	47.6
Crushings	790	910	960	900	21.5	24.8	26.1	24.5
Exports	564	635	675	625	15.3	17.3	18.4	17.0
Seed, feed, and residual	76	74	80	80	2.1	2.0	2.2	2.2
Use, total	1,430	1,619	1,715	1,605	38.9	44.1	46.7	43.7
Ending stocks	103	200	385	145	2.8	5.4	10.5	3.9
	Dol. per bu.				Dol. per metric ton			
Price received by farmers	³ 6.81	5.79	5.00-5.50	7.00-7.50	³ 250	213	184-202	257-275
Price, Chi., No. 1 yellow	7.36	⁴ 5.66	—	—	270.43	⁴ 207.97	—	—
Soybean oil:								
	Mil. lb.				Thou. metric tons			
Beginning stocks	1,251	767	900	900	567	348	408	408
Production	8,578	9,983	10,370	9,700	3,891	4,528	4,704	4,400
Supply, total	9,829	10,750	11,270	10,600	4,458	4,876	5,112	4,808
Domestic	7,515	8,000	8,300	8,100	3,409	3,629	3,765	3,674
Exports	1,547	1,850	1,800	1,600	702	839	816	726
Use, total	9,062	9,850	10,100	9,700	4,111	4,468	4,581	4,400
Ending stocks	767	900	1,170	900	348	408	531	408
	Cts. per lb.				Cts. per kilogram			
Price, crude, Decatur	24	24	18-20	27-29	52.9	52.9	39.7-44.1	59.5-63.9
See footnotes at end of table.								

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79 projected*		1976/77	1977/78 estimated	1978/79 projected*	
			Alt. I	Alt. II			Alt. I	Alt. II
Soybean meal:			Thou. short tons				Thou. metric tons	
Beginning stocks	355	228	410	410	322	207	372	372
Production	18,488	21,782	22,800	21,375	16,772	19,760	20,684	19,391
Supply, total	18,843	22,010	23,210	21,785	17,094	19,967	21,056	19,763
Domestic	14,056	16,500	17,200	16,200	12,751	14,969	15,604	14,696
Exports	4,559	5,100	5,500	5,200	4,136	4,627	4,990	4,717
Use, total	18,615	21,600	22,700	21,400	16,887	19,595	20,593	19,414
Ending stocks	228	410	510	385	207	372	463	349
			Dol. per short ton				Dol. per metric ton	
Price, bulk, Decatur, 44%	199.80	165.00	145-155	190-200	220.26	181.88	160-171	209-220
Cotton:⁷			Mil. acres				Mil. hectares	
Area								
Planted	11.7	13.7	—	—	4.7	5.5	—	—
Harvested	10.9	13.3	—	—	4.4	5.4	—	—
			Lb. per acre ⁸				Metric tons per hectare	
Yield per harvested unit	465	525	—	—	.52	.59	—	—
			Mil. 480-lb. bales				Mil. metric tons	
Beginning stocks	⁹ 3.7	⁹ 2.9	5.4	5.4	⁹ .8	⁹ .6	1.1	1.1
Production	10.6	14.4	13.0	11.0	2.3	3.1	2.8	2.4
Supply, total ⁹	14.3	17.3	18.4	16.4	3.1	3.8	4.0	3.6
Mill use	6.7	6.7	7.3	6.3	1.5	1.5	1.6	1.4
Exports	4.8	5.5	4.8	6.2	1.0	1.2	1.0	1.4
Use, total	11.5	12.2	12.1	12.5	2.5	2.7	2.6	2.7
Difference unaccounted ¹⁰	.1	.2	.2	.2	(⁶)	(⁶)	(⁶)	(⁶)
Ending stocks	⁹ 2.9	⁹ 5.4	6.5	4.1	⁹ .6	⁹ 1.1	1.4	.9
			Cts. per lb.				Cts. per kilogram	
Price received by farmers	64.1	¹¹ 52.0	—	—	141.3	¹¹ 114.6	—	—
Price, SLM, 1-1/16 in., spot	70.9	¹² 50.8	—	—	156.3	¹² 112.0	—	—

¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha) = 2.471 acres; and 1 metric ton = 2,204.622 pounds. 36,7437 bushels of wheat or soybeans, 39,3679 bushels of corn or sorghum, 49,9296 bushels of barley, 69,8944 bushels of oats, 22,046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through March 1978. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Average to January 1, 1978.

* Alternative I reflects favorable production conditions worldwide; Alternative II assumes unfavorable production conditions worldwide.

Feed grains:

	Marketing year ¹			1977				1978		
	1974/75	1975/76	1976/77	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale Prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	3.12	2.75	2.30	2.52	1.84	2.14	2.19	2.19	2.21	2.36
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.04	4.46	3.49	3.75	3.05	3.40	3.36	3.37	3.49	3.78
Barley, feed, Minneapolis (\$/bu.)	2.58	2.38	2.34	2.29	1.66	1.65	1.65	1.65	1.65	1.66
Barley, malting, Minneapolis (\$/bu.) ²	4.16	3.52	3.13	2.98	2.25	2.36	2.32	2.26	2.33	2.32
Exports:										
Corn (mil. bu.)	1,149	1,711	1,684	151	120	144	154	128	129	*152
Feed grains (mil. short tons) ³	39.4	55.1	55.8	5.0	3.8	4.6	5.3	4.2	4.3	*4.8
	Marketing year ¹			1976				1977		
	1974/75	1975/76	1976/77	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Corn:										
Stocks, beginning (mil. bu.)	484	361	399	399	4,890	3,293	2,365	884	5,463	3,840
Domestic use:										
Feed (mil. bu.)	3,226	3,592	3,587	1,158	1,070	550	808	1,236	1,082	—
Food, seed, ind. (mil. bu.)	451	490	513	121	127	96	169	125	133	—
Feed grains: ⁴										
Stocks, beginning (mil. short tons)	23.7	16.9	19.0	29.8	163.8	109.2	77.4	47.8	187.1	125.4
Domestic use:										
Feed (mil. short tons)	116.1	128.0	124.1	40.9	36.0	18.5	28.5	42.5	37.5	—
Food, seed, ind. (mil. short tons)	17.7	18.8	19.7	4.4	4.8	4.2	6.3	4.6	5.0	—

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats and barley. ⁴ Based on Inspections for Export.

Food grains:

	Marketing year ¹			1977				1978		
	1974/75	1975/76	1976/77	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	4.20	3.74	2.88	2.63	2.56	2.81	2.80	2.82	2.84	3.07
Wheat, DNS, Minneapolis (\$/bu.) ²	4.57	3.74	2.96	2.82	2.61	2.71	2.68	2.73	2.72	2.86
Flour, Kansas City (\$/cwt.)	10.19	9.25	7.21	6.52	6.32	6.58	6.49	6.99	6.68	6.96
Flour, Minneapolis (\$/cwt.)	11.40	10.41	8.34	7.72	7.19	7.34	7.20	7.59	7.32	7.65
Rice, S W. La. (\$/cwt.) ³	21.50	17.20	14.60	13.95	17.75	22.10	24.15	24.00	24.00	23.75
Wheat:										
Exports (mil. bu.)	1,018	1,173	950	60	72	61	93	68	100	—
Mill grind (mil. bu.)	538	572	593	54	49	50	52	48	48	—
Wheat flour production (mil. cwt.)	239	255	263	24	22	22	23	22	21	—

	Marketing year ¹			1976	1977				1978	
	1974/75	1975/76	1976/77	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May
Wheat:										
Stocks, beginning (mil. bu.)	340	435	665	2,188	1,782	1,390	1,112	2,398	1,990	1,523
Domestic use:										
Food (mil. bu.)	521	559	553	144	138	83	182	143	—	—
Feed and seed (mil. bu.) ⁴	151	162	195	43	75	44	178	39	—	—
Exports (mil. bu.)	1,018	1,173	950	220	179	152	382	225	—	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.65	5.90	5.52	6.41	4.46	4.21	4.05	4.02	3.92	3.79
Iceberg lettuce (\$/ctn.) ¹	2.70	3.57	3.23	3.76	3.96	5.41	2.78	5.68	4.27	3.66
Tomatoes (\$/ctn.) ²	5.81	6.44	6.61	—	5.84	11.62	7.48	7.27	6.57	7.78
Wholesale Price index, 10 canned veg. (1967=100)										
	168	160	170	162	169	168	166	167	168	165
Grower price index, fresh commercial veg. (1967=100)										
	173	173	198	270	183	210	163	207	201	202

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale price indexes:										
Fresh fruit (1967=100)	157.8	160.4	177.5	183.2	183.6	176.5	160.0	177.6	183.2	188.2
Dried fruit (1967=100)	213.4	234.9	338.4	356.7	283.0	286.3	286.3	285.8	284.3	284.3
Canned fruit and juice (1967=100)	173.8	174.4	190.4	186.1	194.5	198.8	201.0	202.7	204.1	204.9
Frozen fruit and juice (1967=100)	156.5	156.2	196.5	184.7	212.6	225.9	228.6	228.6	228.7	229.9
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	7.36	7.46	9.11	9.50	9.28	9.29	9.50	9.50	9.50	10.87
Pears, Yakima Valley (\$/box) ²	6.63	7.35	6.94	5.85	7.48	7.87	8.10	8.64	9.06	11.17
Oranges, U.S. avg (\$/box)	6.76	6.72	7.44	7.44	11.66	9.91	9.53	9.69	10.17	10.18
Grapefruit, U.S. avg. (\$/box)	6.18	5.76	6.34	6.41	7.87	6.23	6.26	5.91	5.91	5.83
Stocks, beginning:										
Fresh apples (mil. lb.)	2,214.1	2,569.3	2,249.0	1,335.2	1,035.3	3,142.2	2,710.9	2,138.0	1,656.5	1,171.1
Fresh pears (mil. lb.)	170.5	162.3	211.6	162.1	399.0	239.2	205.5	162.1	106.6	56.4
Frozen fruit (mil. lb.)	607.3	558.3	538.9	447.2	630.7	687.2	639.9	607.8	547.8	513.4
Frozen fruit juices (mil. lb.)	883.0	967.0	844.1	1,073.9	780.7	683.7	554.9	613.0	736.8	856.9

¹ Red Delicious, Washington extra fancy, carton tray pack. 80-125's: Regular storage through Feb., C.A. Storage beginning March. ² D'Anjou pears, regular storage, Washington wrapped, U.S. No. 1, 90-135's, n.a. not available.

Cotton:

	Marketing year ¹			1977				1978		
	1974/75	1975/76	1976/77	Mar	Oct	Nov	Dec	Jan	Feb	Mar
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	41.7	58.0	70.9	75.8	49.1	48.0	48.4	51.1	52.9	55.0
Northern Europe prices:										
Index (cts./lb.) ³	52.5	65.3	81.7	86.4	59.2	57.9	59.5	64.1	66.4	68.5
U.S., SM 1-1/16 in. (cts./lb.) ⁴	56.4	71.4	82.4	88.1	61.3	59.6	61.0	64.8	66.0	68.3
U.S. mill consumption (thou. bales)	5,833.7	7,227.7	6,674.4	674.6	528.8	521.5	585.7	513.0	528.1	—
Exports (thou. bales)	3,925.9	3,311.3	4,783.6	563.6	155.2	347.5	519.6	516.4	527.8	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils:

	Marketing year ¹			1977				1978		
	1974/75	1975/76	1976/77	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.34	5.25	7.36	8.33	5.05	5.77	5.87	5.65	5.57	6.47
Crushings (mil. bu.)	701.3	865.1	790.2	74.4	75.8	85.2	86.6	85.3	75.4	86.7
Processing margin (\$/bu.) ²	.17	.16	.19	.08	.14	.26	.26	.32	.16	.48
Exports (mil. bu.)	420.7	555.1	564.1	58.4	77.6	87.7	57.0	33.1	32.7	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	30.7	18.3	23.9	26.5	18.8	21.0	22.6	20.9	21.7	26.6
Production (mil. lb.)	7,375.3	9,629.8	8,577.9	824.0	821.9	922.3	931.5	911.9	809.5	945.1
Domestic disappearance (mil. lb.)	6,518.1	7,906.1	7,454.4	698.2	716.5	717.5	656.2	742.3	716.0	—
Exports (mil. lb.)	1,028.3	975.8	1,547.5	239.5	109.0	185.5	175.6	115.0	148.1	—
Stocks, beginning (mil. lb.)	793.5	560.6	1,250.6	1,609.4	766.6	752.1	766.5	859.2	912.9	—
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	130.86	147.77	199.80	226.20	135.00	161.70	160.10	162.20	152.90	179.40
Production (thou. ton)	16,701.5	20,754.2	18,488.1	1,771.0	1,781.4	2,017.3	2,044.1	2,007.0	1,778.4	2,054.3
Domestic disappearance (thou. ton)	12,501.3	15,551.6	14,000.8	1,142.5	1,500.8	1,506.4	1,518.1	1,690.0	1,563.1	—
Exports (thou. ton)	4,298.8	5,144.8	4,559.2	636.7	229.2	533.9	520.6	309.3	227.3	—
Stocks, beginning (thou. ton)	507.3	358.3	354.9	429.9	228.3	270.0	239.8	245.1	252.8	—
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	39.5	37.4	36.9	36.1	34.5	34.6	39.0

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Sugar:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Wholesale price, N.Y. (\$/cwt.) ¹	22.47	13.31	³ 10.99	11.67	10.23	—	—	—	—	—
U.S. deliveries (thou. short tons) ^{1, 2}	9.974	10.856	⁴ 11.210	1,017	913	958	832	764	⁴ 739	⁴ 900

¹ Raw value. ² Excludes Hawaii. ³ Ten month average. ⁴ Preliminary.

Tobacco:

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Prices at auctions:										
Flue-cured (cts./lb.) ¹	99.8	110.4	117.9	—	115.2	100.2	—	—	—	—
Burley (cts./lb.) ¹	105.6	114.2	² 119.9	110.2	—	121.4	118.3	121.3	122.1	115.5
Domestic consumption ² :										
Cigarettes (bil.)	588.3	617.1	⁴ 592.0	53.4	50.8	51.4	42.9	48.4	49.3	—
Large cigars (mil.)	5,692	5,266	⁴ 4,841	461.2	461.2	406.9	380.8	364.0	354.9	—

¹ Crop year July-June for flue-cured, October-September for burley. ² Preliminary. ³ Taxable removals. ⁴ Subject to revision.

Coffee:

	Annual			1977p				1978p		
	1975	1976	1977p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Composite green price, N.Y. (cts./lb.)	71.76	142.48	256.39	251.20	221.70	228.51	201.15	200.11	191.31	167.67
Imports, green bean equivalent (mil. lb.) ¹	2,767	2,717	1,974	258	78	125	173	228	21.7	n.a.
	Annual			1976				1977p		
	1975	1976	1977p	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Roastings (mil. lb.) ²	2,454	2,519	1,892	510	611	629	428	313	522	570

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p preliminary. n.a. not available.

General Economic Data

Gross national product and related data

	Annual			1976			1977				1978
	1975	1976	1977	II	III	IV	I	II	III	IV	1p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,528.8	1,706.5	1,889.6	1,691.9	1,727.3	1,755.4	1,810.8	1,869.9	1,915.9	1,961.8	1,992.9
Personal consumption expenditures	980.4	1,094.0	1,211.2	1,078.5	1,102.2	1,139.0	1,172.4	1,194.0	1,218.9	1,259.5	1,284.0
Durable goods	132.9	158.9	179.8	156.7	159.3	166.3	177.0	178.6	177.6	186.0	184.0
Nondurable goods	409.3	442.7	480.7	437.1	444.7	458.8	466.6	474.4	481.8	499.9	505.8
Clothing and shoes	70.2	76.3	83.0	74.3	76.9	79.9	79.3	80.4	83.3	89.0	85.3
Food and beverages	209.5	225.5	246.2	223.9	227.0	232.0	237.9	244.8	248.3	254.0	260.5
Services	438.2	492.3	550.7	484.6	498.2	513.9	528.8	541.1	559.5	573.7	594.3
Gross private domestic investment	189.1	243.3	294.2	244.4	254.3	243.4	271.8	294.9	303.6	306.7	314.4
Fixed investment	200.6	230.0	276.1	226.1	232.8	244.3	258.0	273.2	280.0	293.2	297.9
Nonresidential	149.1	161.9	185.1	159.8	164.9	167.6	177.0	182.4	187.5	193.5	197.7
Residential	51.5	68.0	91.0	66.3	67.8	76.7	81.0	90.8	92.5	99.7	100.2
Change in business inventories	-11.5	13.3	18.2	18.3	21.5	-9	13.8	21.7	23.6	13.5	16.5
Net exports of goods and services	20.4	7.8	-10.9	10.2	7.9	3.0	-8.2	-9.7	-7.5	-18.2	-22.6
Exports	147.3	162.9	174.7	160.6	168.4	168.5	170.4	178.1	179.9	170.6	178.3
Imports	126.9	155.1	185.6	150.4	160.6	165.6	178.6	187.7	187.4	188.8	200.8
Government purchases of goods and services	338.9	361.4	395.0	358.9	363.0	370.0	374.9	390.6	400.9	413.8	417.1
Federal	123.3	130.1	145.4	128.5	130.2	134.2	136.3	143.6	148.1	153.8	153.1
State and local	215.6	231.2	249.6	230.4	232.7	235.8	238.5	247.0	252.9	260.0	264.1
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,202.1	1,274.7	1,337.3	1,271.5	1,283.7	1,287.4	1,311.0	1,330.7	1,347.4	1,360.2	1,358.3
Personal consumption expenditures	775.1	821.3	861.2	815.5	822.7	839.8	850.4	854.1	860.4	879.8	879.2
Durable goods	112.7	127.5	138.2	126.6	127.1	130.7	136.9	137.9	136.5	141.6	137.6
Nondurable goods	307.6	321.6	333.7	319.3	321.5	329.4	329.7	330.0	332.4	342.7	339.2
Clothing and shoes	61.5	64.7	67.7	63.4	64.7	65.8	65.5	66.0	67.5	72.0	68.5
Food and beverages	151.9	159.7	167.5	158.6	160.1	163.9	165.4	166.4	167.6	170.8	170.5
Services	354.8	372.2	389.2	369.6	374.0	379.7	383.8	386.3	391.4	395.5	402.3
Gross private domestic investment	141.6	173.0	195.5	175.2	179.4	169.2	186.7	197.2	200.8	197.5	199.7
Fixed investment	151.5	164.5	183.7	163.1	165.6	171.0	177.0	184.0	185.1	188.7	188.4
Nonresidential	112.7	116.8	126.8	115.9	118.5	119.0	124.3	126.4	127.6	128.9	129.4
Residential	38.8	47.7	56.9	47.1	47.1	52.0	52.7	57.6	57.5	59.9	59.0
Change in business inventories	-9.9	8.5	11.8	12.1	13.8	-1.8	9.7	13.2	15.7	8.7	11.3
Net exports of goods and services	22.5	16.0	9.5	16.4	17.0	13.8	10.6	9.4	12.2	5.9	4.5
Exports	89.9	95.8	97.5	95.2	97.9	96.9	96.9	98.5	99.8	94.8	97.1
Imports	67.4	79.8	88.0	78.9	80.9	83.1	86.3	89.1	87.6	88.9	92.6
Government purchases of goods and services	263.0	264.4	271.1	264.4	264.6	264.6	263.3	270.0	274.0	277.0	274.9
Federal	96.7	96.5	101.4	96.1	96.7	97.1	97.0	101.1	103.3	104.2	102.1
State and local	166.3	167.9	169.7	168.4	168.0	167.5	166.4	168.9	170.7	172.8	172.8
New plant and equipment expenditures (\$ bil.)	112.78	120.49	135.80	118.12	122.55	125.22	130.16	134.24	140.38	138.11	146.25
Implicit price deflator for GNP (1972=100)	127.18	133.88	141.29	133.06	134.56	136.35	138.13	140.52	142.19	144.23	146.73
Disposable income (\$bil.)	1,084.4	1,185.8	1,309.2	1,174.1	1,193.3	1,222.6	1,252.4	1,292.5	1,323.8	1,368.3	1,400.5
Disposable income (1972 \$bil.)	857.3	890.3	930.9	887.8	890.7	901.5	908.4	924.5	934.4	955.8	958.9
Per capita disposable income (\$)	5,077	5,511	6,037	5,462	5,540	5,665	5,793	5,967	6,098	6,290	6,427
Per capita disposable income (1972 \$)	4,014	4,137	4,293	4,130	4,135	4,177	4,202	4,268	4,305	4,394	4,401
U.S. population, tot. incl. military abroad (mil.)	213.6	215.1	216.8	214.9	215.4	215.8	216.2	216.6	217.1	217.5	217.9
Civilian population (mil.)	211.4	213.0	214.7	212.8	213.2	213.7	214.1	214.5	214.9	215.4	215.8

See footnotes at end of next table.

Selected monthly indicators

	Annual			1977				1978		
	1975	1976	1977p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Monthly data seasonally adjusted except as noted										
Industrial Production, total ² (1967=100)	117.8	129.8	137.1	135.3	138.9	139.3	139.7	138.6	139.0p	141.0p
Manufacturing (1967=100)	116.3	129.5	137.1	135.1	139.4	139.9	140.5	138.7	139.5p	141.6p
Durable (1967=100)	109.3	121.7	129.5	126.8	132.4	132.7	133.4	130.9	131.9p	134.3p
Nondurable (1967=100)	126.4	140.9	148.1	147.0	149.6	150.1	150.9	149.8	150.6p	152.2p
Leading economic indicators ^{1, 3} (1967=100)	114.1	124.7	130.8	130.0	133.8	134.3	135.2	133.5	134.2p	134.1p
Employment ⁴ (Mil. persons)	84.8	87.5	90.5	89.5	91.4	92.2	92.6	92.9	93.0	93.3
Unemployment rate ⁴ (%)	8.5	7.7	7.0	7.4	6.8	6.7	6.4	6.3	6.1	6.2
Personal income ¹ (\$bil. annual rate)	1,253.4	1,382.7	1,536.7	1,499.1	1,584.0	1,602.3	1,622.7	1,625.2	1,632.8	1,652.2p
Hourly earnings in manufacturing ⁴ (\$)	4.81	5.19	5.63	5.48	5.78	5.81	5.88	5.93	5.94p	5.96p
Money stock (daily average) ² (\$bil.)	294.5	312.6	336.7	318.3	334.6	334.7	336.7	339.4	339.1	340.1p
Time and savings deposits (daily average) ² (\$bil.)	450.9	489.7	544.9	502.0	531.9	540.0	544.9	550.5	556.8	562.1p
Three-month Treasury bill rate ² (%)	5.838	4.989	5.265	4.613	6.188	6.160	6.063	6.448	6.457	6.319
Aaa corporate bond yield (Moody's) ⁵ (%)	8.83	8.43	8.02	8.10	8.04	8.08	8.19	8.41	8.47	8.47p
Interest rate on new home mortgages ⁵ (%)	9.01	8.99	9.01	8.95	9.07	9.07	9.09	9.15	9.18	9.24p
Housing starts, private (including farm) (thou.)	1,160.4	1,537.5	1,987.1	2,090	2,139	2,096	2,203	1,548	1,574p	2,074p
Auto sales at retail, total ¹ (mil.)	8.6	10.1	11.2	12.2	11.0	10.5	11.5	9.8	10.5p	—
Business sales, total ¹ (\$bil.)	180.2	200.1	223.1	221.9	227.5	230.4	236.2	228.7	236.6p	—
Business inventories, total ¹ (\$bil.)	281.8	306.3	332.6	314.9	330.5	332.7	332.6	335.8	338.3p	—
Sales of all retail stores (\$bil.) ⁶	48.4	53.5	59.0	58.0	60.8	61.6	62.1	59.9	61.7p	62.8p
Durable goods stores (\$bil.)	14.9	17.5	19.9	19.9	20.9	20.7	20.9	19.8	20.6p	20.7p
Nondurable goods stores (\$bil.)	33.5	36.0	39.1	38.1	39.9	40.9	41.1	40.1	41.1p	42.1p
Food stores (\$bil.)	11.5	12.2	13.0	12.8	13.2	13.6	13.4	13.6	13.8p	13.9p
Eating and drinking places (\$bil.)	4.3	4.8	5.3	5.3	5.4	5.5	5.5	5.4	5.6p	5.8p
Apparel and accessory stores (\$bil.)	2.6	2.8	2.8	2.8	2.9	3.0	2.9	2.7	2.7p	2.8p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ December of the year listed. ⁷ Moody's Investors Service. ⁸ Federal Home Loan Bank Board. ⁹ Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Rail freight rate index ¹										
All products (1969=100)	169.4	186.6	199.1	198.2	198.5	198.6	207.7	207.8	207.8	208.0
Farm products (1969=100)	165.0	182.7	191.3	190.2	191.0	191.0	200.1	200.9	200.1	200.1
Food products (1969=100)	168.5	185.1	195.3	194.9	194.7	194.8	204.0	204.0	203.9	204.6
Rail carloadings of grain (thou. cars) ²	22.8	25.5	24.0	24.7	26.7	26.6	22.7	21.5	21.7	23.7
Barge shipments of grain (mil. bu.) ³	23.0	30.4	29.3	31.4	32.3	35.3	27.0	25.0	19.5	24.2
Fresh fruit and vegetable shipments										
Rail (thou. carlots) ^{2, 4}	3.8	3.3	2.0	⁵ 176.6	⁵ 1,766	1.4	1.6	⁵ 1,106	⁵ 946	⁵ 1,184
Truck (thou. carlots) ^{2, 4}	13.9	16.0	15.4	⁵ 616.0	⁵ 6,160	14.5	15.3	⁵ 6,242	⁵ 6,773	⁵ 8,238

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1977 and 1978. ⁵ Shipments reported in 1000 hundredweight typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 60,000 pounds.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1977				1978		
	1975	1976	1977	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Export commodities:										
Wheat, f.o.b. Gulf ports (\$/bu.)	4.16	3.65	2.85	2.97	2.90	3.12	3.18	3.25	3.29	3.43
Corn, f.o.b. Gulf ports (\$/bu.)	3.10	2.91	2.49	2.78	2.17	2.47	2.55	2.57	2.71	2.80
Grain sorghum, f.o.b. Gulf ports (\$/bu.)	2.95	2.73	2.30	2.53	2.11	2.36	2.36	2.35	2.39	2.52
Soybeans, f.o.b. Gulf ports (\$/bu.)	5.72	6.07	7.38	8.65	5.41	6.14	6.31	6.24	6.33	7.20
Soybean oil, Decatur (cts./lb.)	25.39	18.05	23.69	26.46	18.76	20.99	22.64	20.91	21.65	26.62
Soybean meal, Decatur (\$/ton)	124.05	155.82	192.17	226.20	135.00	161.70	160.10	162.20	152.90	179.40
Cotton, 10 market avg. spot (cts./lb.)	44.70	67.70	60.48	75.75	49.06	47.98	48.42	51.05	52.89	55.01
Tobacco, avg. price of auction (cts./lb.)	103.50	105.73	114.24	110.00	113.04	117.50	117.90	117.76	117.30	115.70
Rice, f.o.b. mill, Houston (\$/cwt.)	21.28	16.17	16.96	14.00	18.30	22.60	24.15	25.00	25.00	24.10
Inedible tallow, Chicago (cts./lb.)	12.04	13.27	13.61	14.56	12.45	12.97	13.15	13.62	14.12	15.44
Import commodities:										
Coffee, N.Y. spot (cts./lb.)	.77	1.42	2.41	3.16	1.85	1.90	2.05	2.09	2.03	1.79
Sugar, N.Y. spot (cts./lb.)	22.47	13.31	10.99	11.67	10.24	n.a.	n.a.	n.a.	n.a.	n.a.
Cow meat, f.o.b. port of entry (cts./lb.)	60.20	71.69	68.42	73.56	66.37	67.43	71.89	77.81	86.80	90.70
Rubber, N.Y. spot (cts./lb.)	30.60	39.59	41.59	41.48	44.51	43.97	42.58	43.51	44.76	45.36
Cocoa beans, N.Y. (\$/lb.)	.56	.94	1.72	2.06	1.60	1.60	1.48	1.31	1.28	1.54
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.41	4.67	4.17	5.50	4.68	n.a.	n.a.	4.65	5.50	6.40
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.75	1.75	1.85	1.76	1.92	1.97	1.97	2.07	2.07	2.07
Quantity indices										
Export (1967=100)	156	174	177	194	168	197	214	n.a.	n.a.	n.a.
Import (1967=100)	123	138	138	153	113	104	172	n.a.	n.a.	n.a.
Unit Value Indices										
Export (1967=100)	221	207	210	222	191	199	204	n.a.	n.a.	n.a.
Import (1967=100)	203	217	235	289	219	227	217	n.a.	n.a.	n.a.

n.a. not available.

U.S. agricultural exports

	October-February				February			
	1976/77	1977/78p	1976/77	1977/78p	1977	1978p	1977	1978p
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	42,685	49,254	—	—	5,246	8,146
Meat and preps., excl. poultry (mt)	175	174	244,062	257,303	31	34	46,562	51,279
Dairy products, excl. eggs	—	—	55,360	58,787	—	—	10,388	10,022
Poultry and poultry products	—	—	119,095	136,987	—	—	21,785	21,480
Grains and preparations	—	—	4,071,800	3,524,806	—	—	736,675	811,280
Wheat and wheat flour (mt)	8,969	10,435	1,198,911	1,201,097	1,689	2,652	224,005	318,893
Rice, milled (mt)	828	830	250,340	293,598	135	200	42,183	76,598
Feed grains (mt)	22,699	19,976	2,513,763	1,922,722	3,985	3,832	450,203	396,733
Other	—	—	108,786	107,389	—	—	20,284	19,056
Fruits, nuts, and preparations	—	—	419,134	519,676	—	—	74,925	101,351
Vegetables and preparations	—	—	329,470	236,418	—	—	59,408	47,777
Sugar and preps., incl. honey	104	94	27,690	31,308	20	24	4,994	8,488
Coffee, tea, cocoa, spices, etc. (mt)	17	20	47,252	63,969	3	3	9,868	10,252
Feeds and fodders	—	—	624,772	643,400	—	—	103,694	127,821
Protein meal (mt)	1,920	2,235	378,418	429,911	285	423	62,535	87,273
Beverages, excl. distilled alcoholic (gal.)	16,652	17,741	8,553	9,351	3,017	5,303	1,613	2,984
Tobacco, unmanufactured (mt)	140	126	514,626	524,191	24	25	88,175	98,989
Hides, skins, and furskins	—	—	358,381	324,568	—	—	94,512	80,484
Oilseeds	—	—	2,198,773	2,243,627	—	—	451,781	371,538
Soybeans (mt)	8,029	8,966	2,039,931	1,980,428	1,631	1,481	433,906	334,007
Wool, unmanufactured (mt)	1	1	8,869	11,184	(¹)	(¹)	511	999
Cotton, unmanufactured (mt)	394	453	616,776	612,377	114	109	182,159	146,353
Fats, oils, and greases (mt)	564	546	216,980	222,560	130	97	51,479	39,280
Vegetable oils and waxes (mt)	433	565	247,876	339,047	95	115	52,794	63,509
Rubber and allied gums (mt)	8	4	9,439	5,955	2	(¹)	2,080	353
Other	—	—	244,093	301,486	—	—	47,221	65,599
Total	—	—	10,405,686	10,116,254	—	—	2,045,870	2,067,984

¹ Less than 500,000. p Preliminary.

U.S. agricultural exports by regions

Region, ¹	October-February		February		Change from Year-earlier	
	1976/77	1977/78	1977	1978	Oct-Feb 1977/78	February 1978
	\$ Mil.				Pct.	
Western Europe	4,193	3,681	813	679	-12	-16
Enlarged European Community	3,458	2,854	663	518	-17	-22
Other Western Europe	735	827	150	161	+13	+7
Eastern Europe and USSR	826	831	180	229	+1	+27
USSR	506	537	137	168	+6	+23
Eastern Europe	320	293	44	62	-8	+41
Asia	3,379	3,413	709	755	+1	+7
West Asia	418	402	92	66	-4	-28
South Asia	260	163	26	55	-37	+112
Southeast Asia, ex. Japan and PRC	928	1,062	213	297	+14	+39
Japan	1,772	1,700	378	325	-4	-14
Peoples Republic of China	—	86	—	11	—	—
Latin America	714	876	128	161	+23	+26.
Canada, excluding transshipments	645	591	121	106	-8	-12
Canadian transshipments	124	130	(²)	(²)	+5	—
Africa	459	524	82	127	+14	+55
North Africa	254	305	49	73	+20	+49
Other Africa	205	219	33	54	+7	+64
Oceania	60	67	12	10	+12	-17
Total ³	10,406	10,117	2,046	2,068	-3	+1

¹ Not adjusted for transshipments. ² Less than \$500,000. ³ Totals may not add due to rounding. p Preliminary.

Trade balance

	October-February		February	
	1976/77	1977/78	1977	1978
	\$ Mil.			
Agricultural exports ¹	10,406	10,117	2,046	2,068
Nonagricultural exports ²	37,941	38,538	7,290	7,270
Total exports ²	48,347	48,655	9,336	9,338
Agricultural imports ³	5,145	5,423	1,127	1,222
Nonagricultural imports ⁴	49,257	57,970	9,459	12,186
Total imports ⁴	54,402	63,393	10,586	13,408
Agricultural trade balance	5,261	4,694	919	846
Nonagricultural trade balance	-11,316	-19,432	-2,169	-4,916
Total trade balance	-6,055	-14,738	-1,250	-4,070

¹ Domestic exports (F.A.S. value). ² Domestic and foreign exports excluding Department of Defense shipments. (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports. (customs value). p Preliminary.



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